CITY OF SOUTHLAKE, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024

City of Southlake, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2024

As Prepared by:

The Finance Department

Sharen Jackson, CPA, Chief Financial Officer

Nicole Bradshaw, CPA, Deputy Director of Finance

City of Southlake

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024
Table of Contents

	Exhibit	Page
INTRODUCTORY SECTION		
Letter of Transmittal		v
Certificate of Achievement		xviii
Organizational Chart		xix
List of Principal Officials		xx
FINANCIAL SECTION		
Independent Auditor's Report		3
Management's Discussion and Analysis		9
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	1	25
Statement of Activities	2	26
Fund Financial Statements		
Governmental Funds Financial Statements		
Balance Sheet	3	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4	32
Statement of Revenues, Expenditures, and Changes in Fund Balance	5	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	6	36
Proprietary Funds Financial Statements		
Statement of Net Position	7	38
Statement of Revenues, Expenses, and Changes in Net Position	8	40
Statement of Cash Flows	9	41
Fiduciary Fund Financial Statements		
Statement of Fiduciary Net Position	10	45
Statement of Changes in Fiduciary Net Position	11	46
Notes to the Basic Financial Statements		49
Required Supplementary Information		
Budgetary Comparison Schedule - General Fund	A-1	92
Budgetary Comparison Schedule - Southlake Parks Development Corporation Operating Fund	A-2	93
Budgetary Comparison Schedule - Community Enhancement Development Corporation Special Revenue Fund	A-3	94
Notes to Budgetary Comparison Schedules		95
Schedule of Changes in Net Pension Liability and Related Ratios - TMRS	A-4	98
Schedule of Pension Contributions - TMRS	A-5	100
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios - Southlake Net OPEB Liability (Asset) for Health Insurance	A-6	102
Schedule of Contributions - Southlake Net OPEB Liability (Asset) for Health Insurance	A-7	104
Schedule of Changes in the Total OPEB Liability and Related Ratios - TMRS - Supplemental Death Benefits	A-8	106
Schedule of OPEB Contributions - TMRS - Supplemental Death Benefits	A-9	108
Condition Rating of Street System	A-10	110

City of Southlake

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024
Table of Contents – Continued

	Exhibit	Page
Combining and Individual Fund Financial Statements and Schedules		
Major Governmental Funds		
Budgetary Comparison Schedule - General Obligation Debt Service Fund	B-1	113
Nonmajor Governmental Funds		
Combining Balance Sheet - Nonmajor Governmental Funds	C-1	116
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	C-2	120
Budgetary Comparison Schedule - Police Special Revenue Fund	C-3	124
Budgetary Comparison Schedule - Parks and Recreation Special Revenue Fund	C-4	125
Budgetary Comparison Schedule - Parks Dedication Special Revenue Fund	C-5	126
Budgetary Comparison Schedule - Crime Control District Special Revenue Fund	C-6	127
Budgetary Comparison Schedule - Hotel Occupancy Special Revenue Fund	C-7	128
Budgetary Comparison Schedule - Storm Water Utility Special Revenue Fund	C-8	129
Budgetary Comparison Schedule - Court Security Special Revenue Fund	C-9	130
Budgetary Comparison Schedule - Court Technology Special Revenue Fund	C-10	131
Budgetary Comparison Schedule - Library Special Revenue Fund	C-11	132
Budgetary Comparison Schedule - Red Light Camera Special Revenue Fund	C-12	133
Budgetary Comparison Schedule - Commercial Vehicle Enforcement	C-13	134
Budgetary Comparison Schedule - Tax Increment Financing District Special Revenue Fund	C-14	135
Budgetary Comparison Schedule - Southlake Parks Development Corporation Debt Service Fund	C-15	136
Budgetary Comparison Schedule - Community Enhancement Development Corporation Debt Service Fund	C-16	137

	Table	Page
Statistical Section		
Net Position By Component	1	142
Changes in Net Position	2	144
Fund Balances, Governmental Funds	3	146
Changes in Fund Balances, Governmental Funds	4	148
Assessed Value and Estimated Actual Value of Taxable Property	5	150
Direct and Overlapping Property Tax Rates	6	151
Principal Property Tax Payers	7	152
Ad Valorem Tax Levies and Collections	8	153
Ratios of Outstanding Debt By Type	9	154
Ratios of General Bonded Debt Outstanding	10	155
Direct and Overlapping Governmental Activities Debt	11	156
Pledged-Revenue Coverage - Southlake Parks Development Corporation	12	157
Pledged-Revenue Coverage - Southlake Community Enhancement and Development Corporation	13	158
Demographic and Economic Statistics	14	159
Principal Employers	15	160
Full-Time Equivalent City Government Employees By Function/Program	16	161
Operating Indicators By Function/Program	17	162
Capital Asset Statistics By Function/Program	18	163

Introductory Section

CITY OF
SOUTHLAKE

Finance Department

February 21, 2025

To the Honorable Mayor, Councilmembers and Citizens of the City of Southlake, Texas:

It is with pleasure that we submit to you the Annual Comprehensive Financial Report (ACFR) of the City of Southlake for the fiscal year ended September 30, 2024. This report was prepared by the Finance Department in accordance with the Southlake Charter, statutes, and generally accepted accounting principles for governments. In addition to meeting legal requirements, this report reflects the City's commitment to full financial disclosure. We encourage you to thoroughly read this report and take the opportunity to discuss some of the important items it addresses.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's current system of internal controls adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Weaver & Tidwell, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended September 30, 2024. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal, and the two should be read in conjunction with each other.

PROFILE OF SOUTHLAKE

General Information

Although Southlake has been a high-growth community for years, when the first settlers arrived in 1845, they found only a vast area of land and trees where the Grand Prairie and Cross Timbers merged. As the site of the first permanent settlement in Tarrant County, a portion of present-day Southlake was homesteaded in 1866, which consisted of 360 acres. Keeping with the time, the primary industry was agriculture. Farmers grew peanuts, grains, and cotton, and families raised their own livestock.

The area that would become Southlake remained a rural farming community for more than 100 years until the U.S. Army Corps of Engineers built Lake Grapevine in 1952. The lake spurred much of the area's early growth and was the beginning of dramatic change. The city was officially incorporated on September 25, 1956, by a public vote of 30 in favor and 24 against. The original city contained 1.62 square miles and had a population of just over 100. The residents chose to call this new town Southlake because it was… south of Lake Grapevine! The Southlake Fire Department was launched in 1965, and the first piece of fire equipment was a 1950 Diamond T-Military unit with a tank capacity of 1,000 gallons and an auxiliary pump. The first police chief was hired in 1966, and the city purchased its first patrol car in 1967.

The opening of the Dallas-Fort Worth International Airport in 1974 served as the next catalyst of growth in the area. Southlake residents adopted a home-rule charter in April 1987, which created the current council-manager form of government. Six Council Members and a Mayor are elected at large on a nonpartisan basis for staggered three-year terms. However, the most crucial event in bringing residential subdivision development to Southlake was the completion of water and sewer lines in the city's southern portion in the early 1990s.

By the 2000s, Southlake had become a boom-burb, with the population tripling to almost 22,000, and was well known for its picturesque countryside, exemplary school district, and luxury neighborhoods. Today, the City's population is just over 33,000 and is estimated to reach just over 34,000 residents by the year 2050.

Since then, much like the area's first settlers were attracted to the area with its endless possibilities, Southlake has continued attracting the suburban settlers desiring a high quality of life and the small-town charm preserved from Southlake's past.

Services Provided

The City provides a full range of municipal services established by statute or charter, including providing police, fire, and ambulance services, planning, zoning and development services, engineering, streets and storm drainage infrastructure construction and maintenance, parks operations and maintenance, recreation programming and facilities, library services, and other general administrative services.

Water and sewer services and solid waste collection are provided under an enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments of outstanding debt.

City of Southlake Strategy Map
INTEGRITY
INNOVATION
TEAMWORK
EXCELLENCE
ACCOUNTABILITY
The mission of the City of Southlake is to provide municipal services that support the highest quality of life for our residents, a supportive environment for local businesses, and unique and special experiences for visitors.
We deliver on Our Focus Areas
Safety & Security
Infrastructure & Development
Partnerships & Volunteerism
Performance Management & Service Delivery
We Serve Our Customers
We do this by
C1 Delivering outstanding customer experiences through innovation, passion, and a strong culture.
C2 Enhancing the sense of community by proactively creating opportunities for community partnerships, volunteer involvement, and citizen engagement.
C = Customer Objectives
We Provide Financial Stewardship
We do this by
F1 Safeguarding the public trust through a commitment to thoughtful planning and responsible, conservative financial management.
F2 Investing to provide & maintain high quality public assets.
F = Financial Objectives
We Manage The Business
We do this by
B1 Achieving strong outcomes through continual evaluation and pursuit of better practices that improve core business operations.
B2 Collaborating with select partners to implement service solutions
B3 Maintaining an environment of future readiness by understanding and acting upon the forces, trends, and coming challenges affecting services.
B = Business Objectives
We Promote Learning & Growth
We do this by
L1 Defining and managing a professional workplace culture that supports City values and promotes a positive employee experience.
L2 Fostering positive employee engagement.
L3 Attracting, developing & retaining a talented and motivated workforce for lasting world-class performance.
L = Learning & Growth Objectives

Component Units

The financial reporting entity includes all the funds of the primary government, as well as all its component units in accordance with GASB *Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Reporting Entity."* Component units are legally separate entities for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the City's basic financial statements to be misleading or incomplete. The City's financial statements include the following blended component units:

The Southlake Parks Development Corporation ("SPDC") was formed in January 1994 pursuant to a successful election in November 1993 to adopt an additional half-cent sales tax for park and recreation facility development. SPDC is organized exclusively to act on behalf of the City for the financing, development and operation of parks and recreation facilities.

Also included in this report is financial information for the Southlake Crime Control and Prevention District (the "District"). In November 1997, voters approved an additional half-cent sales tax for Crime Control and Prevention initiatives. The District is organized exclusively to act on behalf of the City for the financing, development, and crime control throughout the City.

In May 2015, Southlake voters overwhelmingly approved the reallocation of a portion of the District's half-cent sales tax for the purpose of constructing and operating a recreation center through the Southlake Community Enhancement and Development Corporation ("CEDC"). The District's half-cent sales tax was reduced to a one-eighth cent tax, and the remaining three-eighths was reallocated to address recreational and economic development needs for the City, as permitted by State law, through CEDC.

This report also includes financial information for the Tax Increment Financing District (the "TIF"), which was created in 1997 to encourage quality commercial growth. The TIF was formed to finance and make public improvements under the authority of the Tax Increment Financing Act.

Additional information on these legally separate entities can be found in the notes to the financial statements (see Note 1).

ECONOMIC CONDITION AND OUTLOOK

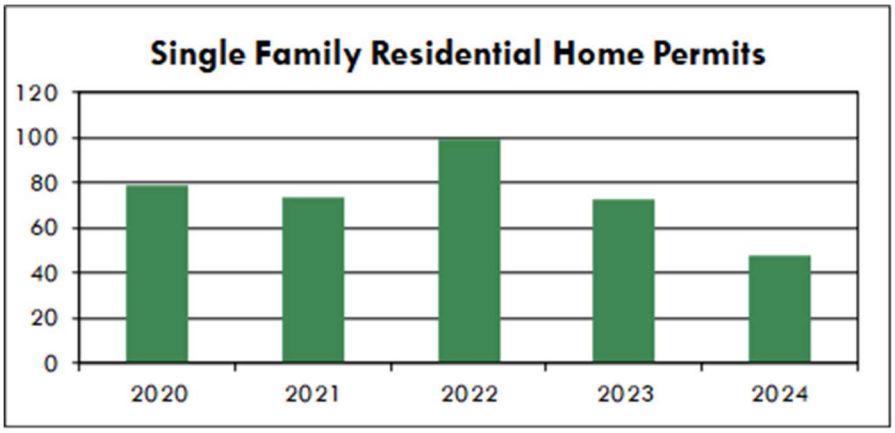
The City is in a prime location in Northeast Tarrant County, 5 minutes west of Dallas/Fort Worth International Airport and 10 minutes east of the Alliance Airport, a commercial aviation and industrial complex in north Fort Worth. State Highway 114, FM 1709, and FM 1938, the regional road arterials, serve the City.

The City of Southlake is currently 92% developed and made up of over 2,600 businesses, including 52 new businesses for FY 2024. Businesses from many industries, including professional, scientific, and technical services, healthcare and social services, hospitality, retail, and banking and financial services, have come together to make Southlake a full-service business community.

Sabre, home of Travelocity.com, is the City's largest employer, with approximately 2,400 employees. Carroll I.S.D. and Charles Schwab are the next most significant employers, each with approximately 1,100 employees.

Housing Permits

There were 48 single-family residential permits issued in FY 2024 with an average new home construction value, excluding land value, of approximately $2,160,000. As noted in the chart below, the City experienced decreased residential home construction.



Property Taxes

Total certified taxable value for commercial and residential property was $11.36 billion, an increase of $954 million and a 9.2 percent increase from the prior year. New construction added $172 million to the tax roll.

Tax rate management and tax relief have been guiding financial management principles that Southlake has strategically implemented over time, beginning in 2009 with adopting a homestead exemption. Since that time, Southlake has annually implemented tax relief, first in the form of the homestead exemption and then beginning in 2019 with tax rate reductions. New development and strong sales tax revenues combined with expenditure management have made it possible to implement thirteen relief initiatives since 2009.

In FY 2024, the City incorporated a total tax rate of $0.319 per $100 valuation, reducing the rate by $0.041 from FY 2023. The tax rate of $0.319 is split between General Fund operations and debt service. The allocation for FY 2024 is $0.264 for general operations and $0.055 for debt service.

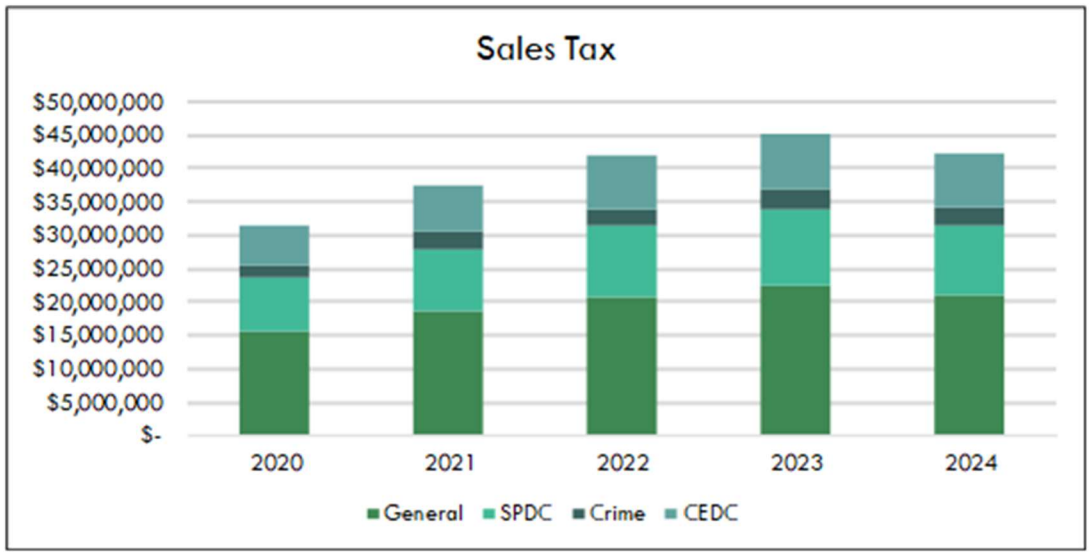
Sales Taxes

In Southlake, the total sales tax rate is 8.25%. The City receives $0.02 of sales tax for every dollar spent in our city limits (the remainder goes to the State). One of those pennies goes to the General Fund and can be spent on general operating costs, like supplies, salaries, and general maintenance. The other penny is split between our Crime Control and Prevention District ("CCPD"), the Southlake Parks Development Corporation ("SPDC"), and the Community Enhancement and Development Corporation ("CEDC").

Sales taxes are an essential source of revenue for the City, making up approximately 29% of total revenues. It is estimated that non-residents who shop and dine in Southlake generate up to 70% of the sales tax revenue. These monies are used to support the City's general operations, fund parks development, crime prevention and safety initiatives, construction and operations of The Marq, and economic development, and pay off the debt for these funds. Utilizing special sales tax districts has allowed the City of Southlake to maintain excellent financial conditions and reduce the property tax burden.

.

The City of Southlake experienced a decrease in sales tax collections during the fiscal year, as indicated on the chart. Sales tax collections exceeded $42 million in FY 2024, a 7.23% decrease from the previous year. This decrease was expected, however, as the City received significant one-time audit adjustments at the end of FY 2023. These adjustments caused that year to appear particularly unusual.



Future Economic Outlook

Generating economic development is a significant consideration in the City of Southlake's future economic outlook. To that end, the City has developed the following policy statement related to public investment in economic development.

General Purpose and Objectives of Incentives

The City of Southlake is committed to improving the quality of life for its citizens through the attraction and retention of high-quality development that drives a dynamic and sustainable economic environment. On a case-by-case basis, Southlake will consider providing inducement packages as a stimulus for economic development activity, including business attraction, relocation, and retention.

Public Funds Investment Guiding Principles

In carrying out its economic development objectives, the City of Southlake will adhere to the following guiding investment principles to best determine the strategic investment of its resources in eligible projects:

- Project supports comprehensive plan implementation
- Project will retain, expand, or attract targeted industries
- Project will contribute to a top-tier workforce by retaining or expanding the daytime population and preferred job types
- Project includes preferred quality of life benefits such as open space preservation and project enhancements

- Public investment is performance-based and considers reasonable return on investment via direct financial return and other indirect benefits
- Investments will be made into projects sponsored by a financially viable company in good legal standing with the City and State
- Project will make a unique *or* unequaled contribution to development *or* redevelopment efforts in the City of Southlake due to its magnitude, significance to the community, or aesthetic quality

Criteria

Investment recommendations will be based on the evaluation of criteria, including the following:

Fiscal Impact	• What is the estimated total value of capital investment for buildings, other real property improvements, furniture, fixtures, and equipment? • What is the value of the Real and Business Personal Property that will be added to the tax rolls? • How much direct sales tax will be generated? • Will infrastructure construction be required? • Will the project generate overnight stays in the community? If so, how many annually? • What is the estimated return on public investment?
Employment Impact	• How many jobs will be brought to Southlake? • How many jobs will be retained? • What types of jobs will be created? • What will the total annual payroll be? • What is the average annual salary of jobs created and/or retained?
Community Impact	• How compatible is the project with the City's comprehensive plan goals? • How does the project support goals related to the preferred quality of life benefit, such as preservation of open space and project enhancements?
Project Eligibility	• Does the project meet the following minimum preferred thresholds? o Capital investment: $5,000,000 o Jobs created or retained: 1OO o Average annual total compensation of jobs created or retained: $50,000 o Average education level: 4-year degree o Target industry alignment • If the project does not meet the preferred thresholds, will it make a unique or unequaled contribution to the development or redevelopment efforts in the City? How?

Target Industries

The Southlake 2035 Economic Development Master Plan specifies these target industries:

Niche Retail	• Full-service and limited-service restaurants (unique, independent, farm-to-table, chef-driven, etc.) • Specialty grocery (organic/local, specialty foods, dine-in or takeaway house-made prepared foods, artisanal cafe, wine and cheese from around the globe) • House & home retail (furnishings and appliances, home design showrooms, smart home technology) • Health, beauty and wellness (salons, spas, fitness training/gyms, yoga studios) • Culinary Hub (farm-to-table, farmers market, specialty food retailers, commercial grade kitchens, culinary business incubator)
Office	• Corporate headquarters and regional offices (large-scale, build-to-suit campus office) • Multi-tenant garden-style (professional services: accountants, engineers/planners/architects, information technology, lawyers, advertising and media, management consulting, actuary)
Medical and Healthcare	• Health, beauty, and wellness (specialized facilities for cosmetic procedures, healthy living, etc.) • Specialized pediatric and senior clinic/outpatient facilities • Specialized medical facilities for surgical procedures (implanted medical devices, bariatric, etc.) • Medical/wellness hub along SH 114 • Research & Development Center
Finance, Insurance and Wealth Management	• Corporate headquarters and regional offices • Professional services
Information Technology and Media	• Corporate headquarters and regional offices • Professional services • Telecommunications
Biotechnology and Pharmaceuticals	• Corporate headquarters and regional offices • Research and development

Eligible Activities

Investment funds may be used for one or more of the following eligible activities to assist a targeted industry in locating in the City or to facilitate a redevelopment project:

- Capital investments related to real property construction and acquisition
- Improvements to an existing building
- On-site and/or off-site infrastructure
- Site enhancements that the City may support to encourage upgraded aesthetics or amenities.
- Other purposes which bring value to the community as determined by the Southlake City Council

Exclusionary Factors

Even though a project might meet all the minimum project qualifications, it will not be considered for public investment if any of the following factors apply:

- If the project would, for any reason, result in a net reduction of the ad valorem tax valuation of all facilities in the City owned by the company or its parent, subsidiary, or affiliated companies, assistance will not be provided.
- Investment will not be provided to companies not in good legal standing with the state or that have not met their obligations as businesses in the City of Southlake.
- No prior commitment to investment shall be binding if the company originally receiving the assistance assigns it to another company unless the City has consented to such assignment in writing, as specified in an approved investment agreement.
- The financial condition of the company receiving the assistance must not make its ability to meet its obligations uncertain.

Available Investment Tools

Tax Abatement	This is a tool whereby all or a portion of the increase in the value of real and/or business personal property can be exempted from taxation. The legal authority for tax abatements comes from Chapter 312 of the Texas Property Tax Code; therefore, cities must meet the provisions of the Code when using abatements.
Chapter 380 Economic Development Grants	This incentive option is authorized under Chapter 380 of the Texas Local Government Code. It is an agreement between the taxpayer and taxing entity to offer a variety of fee-based or tax-based incentives, grants (which may or may not be repaid), or rebates. This is a flexible option, but there are certain state law requirements that must be met in all cases.
Infrastructure Participation	The City of Southlake has a track record of facilitating development through enhancement of water, sewer, and roadway infrastructure relevant to sites selected for significant projects as needed.
Tax Increment Reinvestment Zone	Tax Increment Financing is a tool to finance public improvements within a defined area. The improvements should enhance the environment and attract new investment. The statutes governing tax increment financing are in Chapter 311 of the Texas Tax Code.
Public Improvement Districts (PID)	A PID is a defined geographical area established to provide specific types of improvements or maintenance within the area which are financed by assessments against the property owners within the area. Chapter 372 of the Texas Local Government Code authorizes the creation of PIDs by cities.
Fee Waivers or Reimbursement	The City of Southlake will consider a waiver or reimbursement of development fees on eligible projects.

The City entered into no new incentive agreements for FY 2024. All projects undergo this rigorous vetting process before the City enters into any agreements. Agreements also undergo periodic monitoring after inception to ensure that performance targets are being met.

Major Development Projects

In 2024, the following projects have been approved for development in the City:

- Brumlow East will include a 32.8-acre mixed-use development encompassing a single-family residential component with 56 residential homes and approximately 71,000 square feet of office and office/warehouse buildings.
- Well Binion will include a new approximately 5,960 sq. ft. multi-tenant commercial building on an existing pad site.
- The Overlook and Willowtree Gardens will include a single-family residential component and an office building component.
- Lambert Homes will include an approximate 10,570 sq. ft. two-story building (serving as Lambert Homes' primary office, retail, and storage space), and an approximate 2,800 sq. ft. one-story building intended for future retail use.
- Southlake Municipal Service Center will support the City of Southlake Public Works Operations. The site will also include a Training Tower for the Department of Public Safety's use.
- Tom Thumb Gas Station—The project will convert the former Texaco establishment into a Tom Thumb Gasoline Service Station and Convenience Store at the northwest corner of the W. Southlake Blvd. and N. White Chapel Blvd. intersection.
- Tommy's Car Wash - Northeast Corner of W. Southlake Boulevard and N. Pearson Ln. will include a self-service car wash with a conceptual future retail component.

The City has the following development projects under construction:

- Southlake Marketplace will include lighting improvements, landscape improvements, and the construction of an approximately 2,600 sq. ft. drive-thru restaurant.
- The Wheelhouse will include 2 single-story buildings totaling approximately 19,461 sq. ft. for office showroom with retail sales and automobile and motorcycle sales and/or service uses. Additionally, The Wheelhouse will include 3 single-story buildings totaling approximately 47,629 sq. ft. with garage and storage uses, maintenance of personal vehicles, and hobby shop for personal use.
- Mustang Business Park will include 3 distribution warehouse buildings totaling approximately 340,180 sq. ft. on approximately 26.27 acres.
- The Garden District Residences will include 58 residential units in 2 four-story buildings on approximately 2.24 acres.
- Next Century Health Care Plaza will include 6 single-story medical office buildings totaling approximately 50,000 sq. ft.
- Carillon Parc Residential will include 79 residential lots and 3 commercial lots.
- Constellation will include 4 large warehouse buildings totaling approximately 546,330 sq. ft.
- Kirkwood East will include 8 buildings totaling approximately 50,000 sq. ft. at build out - 2 under construction.

During FY 2024, the following significant projects were completed, which will have an impact on the local economy in the future:

- Capital Grille - E. State Highway 114 - Capital Grille includes a 9,447 sq. ft. restaurant.
- Granite Place Phase Two includes a five-story, approximately 151,000 sq. ft. office building adjacent to the existing Granite Place One building. The project will also include a five-level parking structure.
- GMI Southlake includes 3 flex light industrial/corporate office buildings totaling approximately 58,780 sq. ft.
- Methodist Southlake Hospital Emergency Department Expansion includes a one-story, approximately 6,000 sq. ft. addition to the existing hospital building to provide new nuclear medicine facilities.
- Primrose Office II includes 3 two-story office buildings totaling 25,660 sq. ft. on approximately 1.84 acres. – 2 buildings complete/1 building remaining for construction.
- Mustang Business Park will include 3 distribution warehouse buildings totaling approx. 340,180 sq. ft. on approximately 26.27 acres.

The City's dedication to quality development, sound fiscal policies, and effective strategic management has made it an exemplary community in the Dallas-Fort Worth region. With impeccably built neighborhoods, a successful downtown, and a diverse business community, the City offers residents, businesses, and visitors an enhanced quality of life.

Financial Management Principles

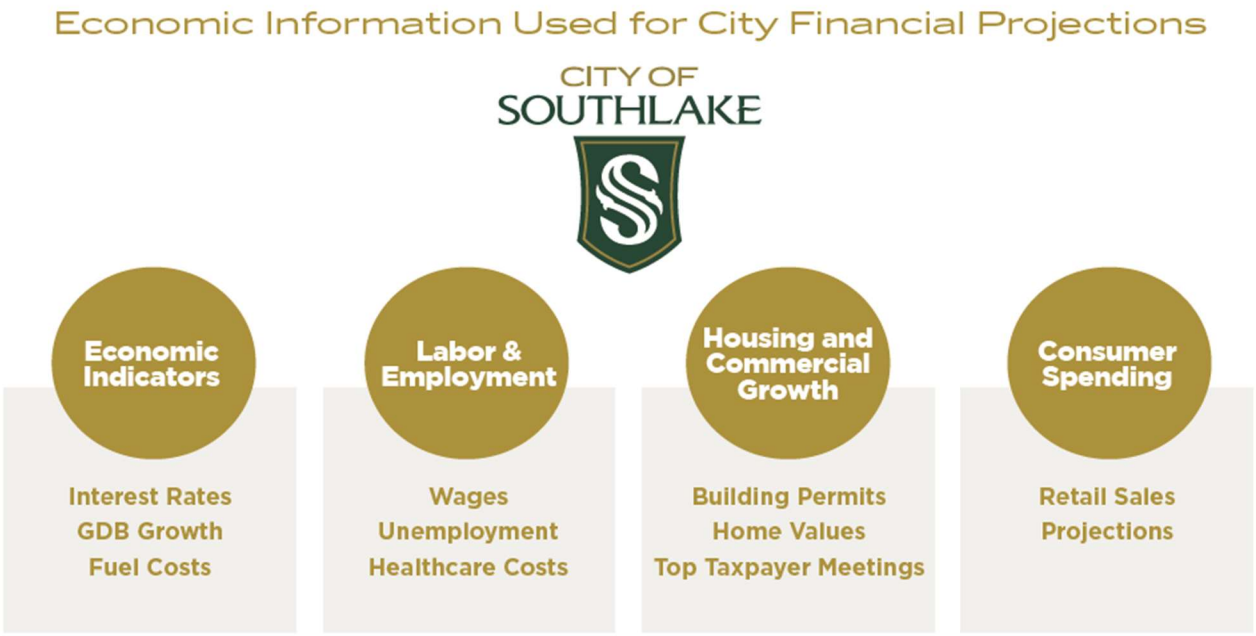
The City has strong financial management principles that provide the framework for financial sustainability.

- Tax rate management - The tax rate is allocated properly between maintenance /operations and debt service.
- Structural balance - The City's ability to weather potential economic downturns or other financial challenges is critical. The City does not use reserves to balance the operating budget.
- Reserve management - The City's fund balance policy requires a minimum of 15% and an optimum of 25%. The City uses "excess" reserves to fund one-time, "pay-as-you-go" projects.
- Multi-year financial plan - The long-term effect of today's decisions on tomorrow's financial situation is important during the budget process.
- Quality service delivery - The City is committed to meeting the needs of our community through high-quality service delivery.
- Risk management - The City supports ongoing initiatives to safeguard public trust through internal audits and other initiatives to maintain a strong control environment.

Multi-year Sustainability

Executive leaders evaluate the operational impact of all identified projects and include those costs in future budget projections. The Executive Leadership Team has also begun a more formalized 5-year financial roadmap that reflects known and planned expenditures to create further predictability for future budgets.

Staff monitors trends that depict the City's long-term financial health and uses these trends to make decisions to reach financial and service goals. Thoroughly understanding economic conditions is critical for proper planning.



The City has taken an additional formal step to understand and plan for the organization's financial future by adopting the Southlake Sustainability Plan as an element of the Southlake Comprehensive Plan. It contains formal recommendations to ensure positive financial outcomes for the City. Management is working with the City Council to update this plan, with formal adoption scheduled for FY 2025.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit of the financial status of the City by independent Certified Public Accountants selected by the City Council. This requirement has been met, and the auditor's report has been included in this report. Additionally, the City has an Audit Committee as a subcommittee of the City Council, which hears and reviews all recommendations made by the independent auditors.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Southlake for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2023. This was the 24th consecutive year that the City has received this prestigious national award. To earn the Certificate of Achievement, the City published an easy-to-read and efficiently organized Annual Comprehensive Financial Report with contents that conformed to program standards. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for one year. The City believes that the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and thus is submitting it to GFOA to determine its eligibility for another certificate.

GFOA named the City of Southlake a 2023 Triple Crown winner. GFOA's Triple Crown designation recognizes governments who have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award for a fiscal year. The City has received this designation 5 years in a row.

Acknowledgments

This report could not have been prepared without the dedication and efficiency of the entire staff and our independent auditor. I want to express appreciation to City employees throughout the organization, especially those staff members in the Finance Department, who were instrumental in the successful completion of this report. I would also like to thank the Mayor and members of the City Council for their support in planning and conducting the City's financial operations in a responsible and efficient manner.

Respectfully submitted,

Sharen Jackson

Sharen Jackson
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Southlake
Texas

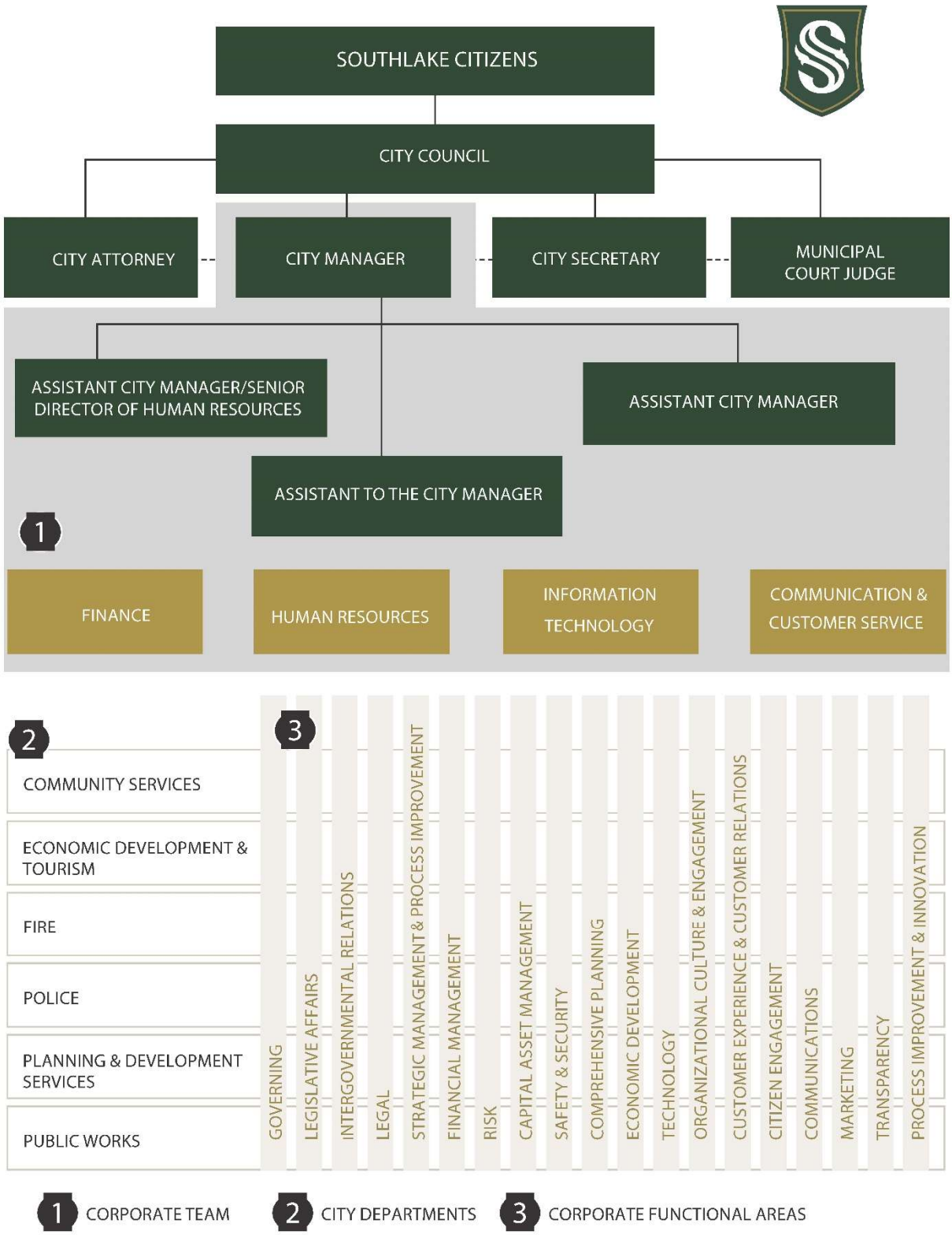
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

City of Southlake Organizational Structure



City of Southlake, Texas
List of Principal Officials
September 30, 2024

Shawn McCaskill	Mayor
Randy Williamson	Mayor Pro Tem
Kathy Talley	Deputy Mayor Pro Tem
Randy Robbins	Council Member
Frances Scharli	Council Member
Ronell Smith	Council Member
Vacant*	Council Member
Alison Ortowski	City Manager
Stacey Black	Assistant City Manager/Senior Director of Human Resources
James Brandon	Assistant City Manager
Amy Shelley	City Secretary
Sharen Jackson	Chief Financial Officer
Daniel Cortez	Economic Development & Tourism Director
Lauren LaNeave	Interim Public Works Director
David Miller	Community Services Director
Dennis Killough	Planning & Development Services Director
Pilar Schank	Communications Director
Blair Halbert	Information Technology Director
Ashleigh Casey	Police Chief
Jeremy Wilson	Interim Fire Chief

* As of January 21, 2025

Financial Section

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report

To the Honorable Mayor and Members of
City Council and Management of the
City of Southlake, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Southlake, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the basic financial statements, during the year ended September 30, 2024, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections. Beginning fund balance has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Honorable Mayor and Members of
City Council and Management of the
City of Southlake, Texas

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Nonmajor Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2025 our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 21, 2025

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Southlake's Management's Discussion and Analysis (MD&A) is designed to provide an objective and easy-to-read analysis of the City's financial activities based on currently known facts, decisions, and conditions. It is intended to provide a broad overview and short-term analysis of the City's activities based on information presented in the financial statements. Specifically, this information is designed to assist the reader in focusing on significant financial issues, provide an overview of the City's financial activity, identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), identify material deviations from the approved budget, and identify individual fund issues.

The City presents its financial statements in accordance with the reporting model required by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.* This reporting model significantly changes not only the presentation of financial data but also the manner in which the information is recorded.

The information contained within this MD&A is only a component of the entire financial statement report. Readers should consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages v-xvii of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Southlake exceeded its liabilities and deferred inflows of resources on September 30, 2024, by $829,662,667 (net position). Of this amount, $158,939,609 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The net position of the City's governmental activities increased by $33,994,334 while the net position of business-type activities increased by $10,690,031.

- As of September 30, 2024, the City's governmental funds reported combined ending fund balances of $206,393,821. Of this amount, $44,905 is reported as nonspendable, $111,358,465 is restricted by outside sources, $2,092,186 is committed for future uses, $75,878,532 is assigned by management for specified purposes, and $17,019,733 is available for spending at the government's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $17,019,733, or 30.9% of total General Fund expenditures.

- At the end of the current fiscal year, the City of Southlake's outstanding debt totaled $122,696,656, a net decrease of $6,384,463 from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The reporting focus is on the City as a whole and on individual major funds. It is intended to present a more comprehensive view of the City's financial activities.

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources measurement focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and the condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), to assess the overall financial condition of the City more accurately.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

Governmental activities - Most of the City's basic services are reported here, including general administration, debt services, public safety, public works, parks and community services, public library, public events and facilities, planning and development, and finance. Property, sales, and franchise taxes provide most of the financing for these activities.

Business-type activities - These are activities for which the City charges customers a fee to pay most or all of the costs of a service it provides. The City's business-type activities include water distribution, wastewater collection, and solid waste collection and disposal.

The government-wide financial statements are found on pages 25-26 of this report.

Fund Financial Statements

The City of Southlake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - These funds account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources and spendable resources available at the end of the fiscal year for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-

term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provided a reconciliation to facilitate this comparison. The reconciliation explains the differences between the government's activities as reported in the government-wide financial statements and the information presented in the governmental fund financial statements.

The City maintains 26 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, General Obligation Debt Service Fund, General Capital Projects Fund, Southlake Parks Development Corporation Capital Projects Fund, Southlake Parks Development Corporation Special Revenue Fund, and Community Enhancement Development Corporation Special Revenue Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental funds financial statements can be found on pages 30-36 of this report.

Proprietary Funds - When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City of Southlake maintains two different types of proprietary funds: enterprise and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and solid waste. These services are primarily provided to outside or non-governmental customers.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment replacement. Because these services predominantly benefit the governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements can be found on pages 36-39 of this report.

Fiduciary funds - the City presents one trust fund, the Southlake OPEB Liability Trust Fund, which accounts for the funding of post-employment healthcare benefits for retirees of the City and their dependents. The financial statements for the fiduciary funds can be found on pages 45-46 of this report.

Notes to the Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 49-87 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position over time may be a useful indicator of the City's financial position. As of September 30, 2024, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $829,662,667 (net position) at the close of the most recent fiscal year.

The largest portion of the City's net position, $547,115,657, reflects its investment in capital assets (land and improvements, buildings, infrastructure, machinery and equipment, and right-to-use assets, net of accumulated depreciation and amortization), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The following analysis highlights the net position as of September 30, 2024, and 2023:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 234,247,365	$ 228,001,169	$ 98,781,086	$ 79,307,211	$ 333,028,451	$ 307,308,380
Capital assets	532,406,280	516,100,285	96,335,544	98,690,072	628,741,824	614,790,357
Total assets	766,653,645	744,101,454	195,116,630	177,997,283	961,770,275	922,098,737
Deferred outflows of resources	8,572,281	13,228,194	726,463	1,081,723	9,298,744	13,995,534
Long-term liabilities	87,183,147	101,619,386	35,513,509	27,461,733	122,696,656	129,081,119
Other liabilities	13,050,024	14,759,356	3,358,199	5,304,624	16,408,223	20,063,980
Total liabilities	100,233,171	116,378,742	38,871,708	32,766,357	139,104,879	149,145,099
Deferred inflows of resources	2,022,673	1,975,158	278,800	310,095	2,301,473	1,970,870
Net position:						
Net investment in capital assets	472,883,752	450,639,461	74,231,905	75,167,644	547,115,657	525,807,105
Restricted	111,948,381	121,858,264	11,659,020	8,464,094	123,607,401	130,322,358
Unrestricted	88,137,949	66,478,023	70,801,660	62,370,816	158,939,609	128,848,839
Total net position	$ 672,970,082	$ 638,975,748	$ 156,692,585	$ 146,002,554	$ 829,662,667	$ 784,978,302

The following analysis highlights the changes in net position for the years ended September 30, 2024 and 2023:

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	$ 12,298,382	$ 11,629,939	$ 35,597,701	$ 37,630,965	$ 47,896,083	$ 49,260,904
Operating grants and contributions	375,784	825,770	-	-	375,784	825,770
Capital grants and contributions	4,890,150	2,382,770	1,734,388	2,064,296	6,624,538	4,447,066
General revenues:						
Taxes	91,590,428	93,889,807	-	-	91,590,428	93,889,807
Investment earnings	11,116,664	7,934,301	3,839,868	2,594,308	14,956,532	10,528,609
Miscellaneous	151,752	512,725	-	-	151,752	512,725
Gain on sale of capital assets	143,146	4,156	96,269	-	239,415	4,156
Total revenues	120,566,306	117,179,468	41,268,226	42,289,569	161,834,532	159,469,037
Expenses:						
General government	26,994,341	26,292,171	-	-	26,994,341	26,292,171
Public safety	27,798,598	26,658,917	-	-	27,798,598	26,658,917
Public works	10,709,563	12,108,564	-	-	10,709,563	12,108,564
Culture and recreation	19,939,371	18,657,110	-	-	19,939,371	18,657,110
Promotion of culture and tourism	871,217	-	-	-	871,217	-
Interest on long-term debt	1,867,737	2,071,867	-	-	1,867,737	2,071,867
Water and sewer	-	-	28,969,340	28,506,292	28,969,340	28,506,292
Total expenses	88,180,827	85,788,629	28,969,340	28,506,292	117,150,167	114,294,921
Increases in net position before transfers	32,385,479	31,390,839	12,298,886	13,783,277	44,684,365	45,174,116
Transfers	1,608,855	1,336,469	(1,608,855)	(1,336,469)	-	-
Change in net position	33,994,334	32,727,308	10,690,031	12,446,808	44,684,365	45,174,116
Net position, beginning	638,975,748	606,248,440	146,002,554	133,555,746	784,978,302	739,804,186
Net position, ending	$ 672,970,082	$ 638,975,748	$ 156,692,585	$ 146,002,554	$ 829,662,667	$ 784,978,302

Governmental activities net position increased by $33,994,334. This can be largely attributed to the City's total revenues of $120,566,306 exceeding total expenses of $88,180,827 by $32,385,479. Significant changes in revenues and expenses between FY 2024 and FY 2023 include the following:

- The City received $4.8 million in public works-related capital grants and contributions for FY 2024, including donated capital assets of $1.1 million and grant funding related to replacing the North White Chapel Bridge for over $3.2 million. The total increase from FY 2023 was over $2.5 million.

- There was also a $3.2 million increase in interest income received by the City for FY 2024, largely due to increased interest rates and the City's ability to reinvest lower-yielding investments, at maturity, into higher-yielding securities that much better reflect current market conditions.

- Tax revenues decreased by almost $2.3 million. Sales taxes decreased by over $3.2 million. This decrease was expected as FY 2023 appeared higher due to one-time audit adjustments received from the state. Property taxes increased by almost $1 million. Property tax rates were reduced to the no-new-revenue rate, so this increase was related to additional properties being added to the tax roll and increases in total assessed property values.

- Public safety expenses increased by over $1.1 million for FY 2024. Salary and benefit-related costs were the driving factors for this increase, which resulted from scheduled raises and increased overtime needs.

- Public works had a decrease of almost $1.4 million. This decrease can be attributed to reduced non-capital project costs for FY 2024.

- Culture and recreation increased by almost $1.4 million. This increase can be attributed to the purchase of replacement non-capital equipment, salary and benefit costs resulting from scheduled raises, and staffing the Southlake Pickleball Complex, which opened in FY 2024.

The net position of business-type activities increased by $10,690,031. While revenues also consistently outpace expenses in business-type activities, there were some significant increases and decreases in revenues and expenses for FY 2024.

Charges for services declined by just over $2 million in FY 2024 as rainfall increased in some of the hottest and highest water usage months, including June, July, and September. Investment earnings increased by over $1.25 million, again, largely due to increased interest rates and the City's ability to reinvest lower-yielding investments, at maturity, into higher-yielding securities that much better reflect current market conditions.

Expenses increased by almost $500,000, the largest contributor being the rising cost of wastewater treatment. The cost of wastewater plant expansion is passed through to all participating municipalities and governments within the region of the Trinity River Authority ("TRA"). As the DFW metroplex has continued to grow, the need for more capacity at these plants also continues to grow. Additionally, the City saw a reduction in the cost of purchased water. This reduction offset a significant portion of this increase from wastewater treatment. This reduction in water costs would be directly related to the charges for services revenues and would also be a result of the rainfall received in FY 2024.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

Governmental Funds - The focus of the City of Southlake's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of $206,393,821. Approximately 8.2% or $17,019,733 constitutes unassigned fund balance, which is available for spending at the government's discretion. Other portions of the fund balance are either nonspendable, restricted, committed, or assigned to indicate that it is (1) not in spendable form, $44,905; (2) restricted for particular purposes, $111,358,465; (3) committed for particular purposes, $2,092,186; or (4) assigned for particular purposes, $75,878,532.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $17,019,733. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30.9% of total General Fund expenditures, while total fund balance represents 86.3% of total General Fund expenditures.

The fund balance of the General Fund decreased by $1,426,858 during the current fiscal year. This net decrease was the result of several factors, including:

- Property tax revenues increased by over $600,000 as additional properties were added to the tax roll, and total assessed property values continued to rise.

- Sales tax revenues decreased by over $1.7 million. This decrease was expected as FY 2023 appeared higher due to one-time audit adjustments received from the state.

- There was also an over $650,000 increase in interest income received in the General Fund for FY 2024; this was largely due to high interest rates.

- Expenditures related to Support Services increased by over $870,000 for FY 2024. A majority of this was for maintenance projects, including elevator remodeling, HVAC upgrades, flooring, and various other projects at City facilities.

- Public Safety expenditures increased by over $1 million for FY 2024. Salary and benefit-related costs were the driving factors for this increase, which resulted from scheduled raises and increased overtime needs.

The General Obligation Debt Service Fund has a fund balance of $2,268,218, all of which is restricted for debt service payment. The fund balance decreased during the year by $725,045. This decrease was expected as reserves, property tax collections and future debt service requirements were all considered when determining the current property tax rate.

The fund balance in the General Capital Projects Fund ended the year at $70,061,339, an increase of $7,655,979. This increase can be attributed to (1) interfund transfers of $9.25 million to cash-fund upcoming roadway, drainage, and other infrastructure projects, (2) intergovernmental revenues of $3.5 million received to fund infrastructure projects, and (3) investment earnings also increased in this fund for FY 2024 by over $1.2 million because of high interest rates. These inflows of resources were made available to fund various capital projects for the City and in FY 2024, the City spent $8.8 million of available project funding on capital outlays in the General Capital Projects Fund.

The Southlake Parks Development Corporation Capital Projects Fund significantly increased expenditures, by approximately $11.5 million, for FY 2024 related to turf projects. In FY 2023, the City Council approved these projects to install new artificial turf on several sports fields at both Bicentennial and Bob Jones Park to improve safety, drainage, and maintenance. Also, $5.5 million transfer was made from the Southlake Park Development Corporation Special Revenue Fund to provide additional funding for future park capital projects.

The Southlake Parks Development Corporation Special Revenue Fund increased its fund balance by $367,967. This increase was primarily due to consistency in revenues from FY 2023 to FY 2024 overall, with sales tax decreasing from one-time audit adjustments received in FY 2023, increased charges for services received as the Southlake Pickleball Complex opened, and increased investment earnings from consistently high interest rates. Operating expenditures also increased for the fund because of the opening of the Pickleball Complex.

The Community Enhancement Development Corporation Special Revenue Fund increased its fund balance by $4,156,989. Revenues outpaced expenditures for the year, but expenditures did increase by almost $1 million. This expenditure increase was related to scheduled salary and benefit increases and purchases of equipment following the capital replacement schedule.

FINANCIAL ANALYSIS OF THE PROPRIETARY FUNDS

The City's proprietary funds provide the same information found in the government-wide financial statements but in more detail.

Unrestricted net position reported in the Proprietary Funds included $70,801,660 in the Water and Sewer Fund and $13,086,009 in the Vehicle and Equipment Replacement Fund. The total net position in the Water and Sewer Fund increased by $10,690,031 while the net position of the Vehicle and Equipment Replacement Fund increased by $1,870,132. Revenues consistently outpace expenses in the Water and Sewer Fund, so even though revenues decreased by just over $2 million because of higher rainfall and expenses increased by almost $500,000 because of wastewater treatment, the growth of net position still remained strong. Transfers of $2.6 million to fund vehicle and equipment purchases, net of depreciation, resulted in an increase in net position in the Vehicle and Equipment Replacement Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City made revisions to the original budget approved by the City Council. Management's estimate of the General Fund's budgeted revenues increased $1,982,930 or 3.5% from the original budget based on year-to-date experience. Actual revenues exceeded budget by $1,484,374. The General Fund expenditure budget was amended by $1,060,005 to account for increases in legal settlements, property and liability insurance, and vehicle maintenance. Actual expenditures, in total, were $1,920,404 less than final budget. This favorable variance in conjunction with the revenue variance allowed actual ending fund balance to exceed ending budgetary fund balance by $4,501,478.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets—As of September 30, 2024, The City's investment in capital assets for its governmental and business-type activities amounts to $628,741,824 (net of accumulated depreciation and amortization). This investment includes land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, and right-to-use assets.

The City has elected to use the modified approach for its street system in lieu of the depreciation method. An up-to-date inventory of these infrastructure assets was performed, and the annual costs to maintain and preserve these assets were established and disclosed through administrative policy. The current condition level of the street system meets the target condition level established by the City. There were no significant changes in the condition levels of infrastructure assets, and the differences between the estimated amounts necessary to maintain and preserve the street system at target condition levels and the actual amount of expense incurred for that purpose for 2024 were not material.

Major capital projects completed during the current year included the following:

- Southlake Pickleball Complex
- Drainage improvements at Dove Creek Trail, Highland Creek Crossing, and Creekside Drive
- Kirkwood Intersection Improvements
- Bob Jones Nature Center Barn
- Various water line improvements

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land and improvements	$ 109,622,983	$ 111,367,374	$ 21,646,232	$ 21,447,795	$ 131,269,215	$ 132,815,169
Construction in progress	30,310,495	17,195,881	4,701,687	5,519,580	35,012,182	22,715,461
Buildings and improvements	108,497,159	106,641,267	77,325	107,643	108,574,484	106,748,910
Improvements	-	-	69,697,534	71,571,273	69,697,534	71,571,273
Infrastructure	269,447,100	265,723,506	-	-	269,447,100	265,723,506
Machinery and equipment	11,783,462	12,358,011	173,796	43,781	11,957,258	12,401,792
Right-to-use assets:						
Lease buildings	234,031	-	-	-	234,031	-
Lease equipment	569,408	447,330	-	-	569,408	447,330
Subscriptions	1,941,642	2,366,916	38,970	-	1,980,612	2,366,916
Total	$ 532,406,280	$ 516,100,285	$ 96,335,544	$ 98,690,072	$ 628,741,824	$ 614,790,357

Additional information on the City's capital assets can be found in Note 4 on pages 66-67 of this report.

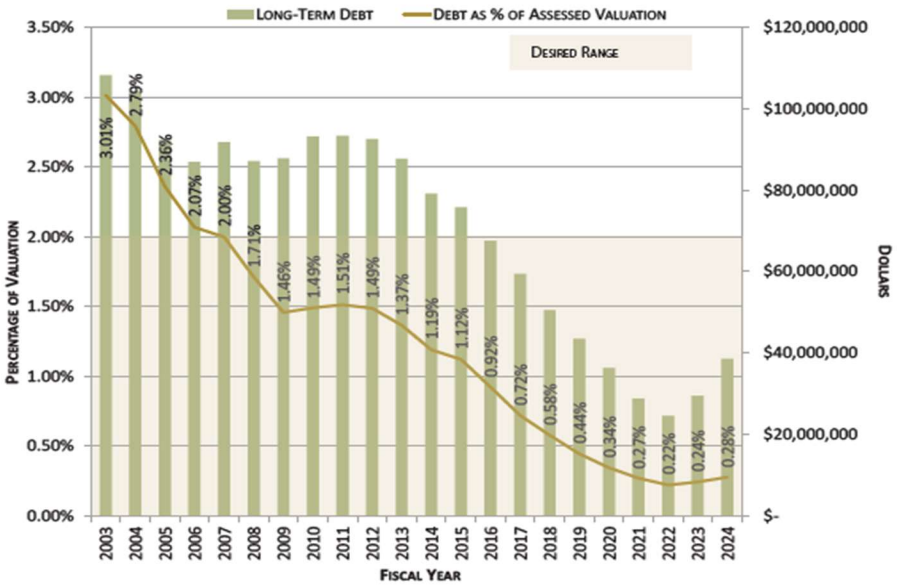
Long-term Debt - At the end of the current fiscal year, the governmental activities had $66,351,332 total bonds outstanding which were issued to finance capital improvements for roadway, parks and recreation, public buildings and infrastructure. The business-type activities had $34,118,969 of total bonds outstanding which were issued to finance projects to increase capacity of the utility system.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Bonds Payable	$ 66,351,332	$ 76,946,956	$ 34,118,969	$ 25,805,211	$ 100,470,301	$ 102,752,167
Total OPEB liability	803,422	728,306	64,590	59,591	868,012	787,897
Net pension liability	14,056,529	18,318,244	1,214,748	1,498,377	15,271,277	19,816,621
Compensated absences	3,132,308	2,703,252	81,150	98,554	3,213,458	2,801,806
Financed purchases	208,476	308,329	-	-	208,476	308,329
Lease liabilities	813,519	448,904	-	-	813,519	448,904
Subscription liabilities	1,817,561	2,165,395	34,052	-	1,851,613	2,165,395
	$ 87,183,147	$ 101,619,386	$ 35,513,509	$ 27,461,733	$ 122,696,656	$ 129,081,119

The City takes its debt obligation very seriously. Several years ago, the City Council, working with City staff, set goals to reduce the debt as a percentage of assessed valuation over the total long-term debt.

As seen in the figure below, the City has reduced the percentage from 3.01% in 2003 to 0.28% in 2024, during a time of growth for the City. Our debt management strategies receive a rigorous annual review from bond rating agencies tasked with letting potential borrowers know how credit-worthy the City is. The City has three AAA ratings — a strong external endorsement of the City's financial management.

Long-term Debt as a Percentage of Assessed Valuation



Through the City's use of cash and aggressive amortization schedules when debt is issued, the City has reduced the property tax-supported debt per capita from $3,506 in 2010 to $1,179 in 2024.

The City is permitted by Article XI, Section 5, of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt.

Additional information on the City's long-term debt can be found in Note 5 on pages 67-73 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Texas does not have a personal income tax by constitution, so it operates primarily using sales and gasoline taxes. Local governments rely primarily on property and sales taxes and fees to fund their government activities.

While property taxes are important to the City, they represent 36.5% of total governmental revenue. Sales tax has grown to the largest governmental resource, representing 37.8% of total governmental revenue. The City monitors all of its resources and determines the need for program adjustment or fee increases accordingly.

The FY 2025 adopted budget incorporates a tax rate of $0.305 per $100 valuation, reducing the rate by just over one cent. The tax rate of $0.305 is split between General Fund operations and debt service. The allocation for FY 2025 is $0.250 for general operations and $0.055 for debt service. The reduction has been taken from the operations part of the rate.

The ongoing use of the 20% homestead exemption will complement the current over-65 exemption of $75,000, disabled exemption of $75,000, and the over-65 tax freeze. The continuation of these exemptions offers additional tax relief. A 20% homestead exemption will reduce the taxable value of an average-valued home in Southlake by $218,883.

The property owner of an average-valued home will see the equivalent of a tax rate reduction of approximately 6.4 cents per $100 valuation with the exemption applied. With the homestead exemption in place, and considering the tax rate reduction, the equivalent residential tax rate on an average-valued home is $0.241.

More than 70% of the City's General Fund budgeted expenditures are related to personnel costs. It is the City's goal to continue to provide for a fair compensation and benefits program to ensure a stable and high-performing workforce. The FY 2025 budget recognizes and addresses the competitive labor market and the need to recruit and retain strong talent.

Multi-year financial planning is another budget development consideration, one of the most important. Executive leaders evaluate the operational impact of all identified projects and include those costs in future budget projections. Staff monitors trends that depict the long-term financial health of the City and uses these trends to make decisions to reach financial and service goals.

The City has taken an additional formal step to understand and plan for the organization's financial future by adopting the Sustainability Master Plan as an element of the Southlake Comprehensive Plan. It contains formal recommendations to ensure positive financial outcomes for the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Southlake's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, 1400 Main Street, Suite 420, Southlake, Texas 76092.

Basic Financial Statements

Government-wide Financial Statements

City of Southlake, Texas

Exhibit 1

Statement of Net Position
September 30, 2024

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments	$ 219,376,288	$ 67,515,787	$ 286,892,075
Receivables (net of allowance for uncollectibles)	9,513,462	6,801,612	16,315,074
Prepaid items	2,197,532	-	2,197,532
Inventories	31,529	-	31,529
Restricted assets			
Cash and cash equivalents	2,262,936	24,193,275	26,456,211
Restricted cash for customer deposits	-	270,412	270,412
OPEB asset	865,618	-	865,618
Capital assets:			
Not being depreciated/amortized	363,476,414	26,347,919	389,824,333
Net of depreciation/amortization	168,929,866	69,987,625	238,917,491
Total assets	766,653,645	195,116,630	961,770,275
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	321,049	141,549	462,598
Deferred outflows - TMRS pension	7,495,410	572,088	8,067,498
Deferred outflows - TMRS OPEB	165,698	12,826	178,524
Deferred outflows - OPEB Health	590,124	-	590,124
Total deferred outflows of resources	8,572,281	726,463	9,298,744
LIABILITIES			
Accounts payable	6,826,323	2,452,788	9,279,111
Accrued liabilities	2,024,382	302,579	2,326,961
Accrued interest payable	-	138,552	138,552
Retainage payable	930,729	19,187	949,916
Deposits payable	798,361	-	798,361
Unearned revenue	2,155,302	174,681	2,329,983
Liabilities payable from restricted assets			
Accrued interest	314,927	-	314,927
Customer meter deposits	-	270,412	270,412
Non-current liabilities:			
Due within one year	12,024,851	2,528,892	14,553,743
Due in more than one year	75,158,296	32,984,617	108,142,913
Total liabilities	100,233,171	38,871,708	139,104,879
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding	63,266	232,776	296,042
Deferred inflows - leases	680,315	-	680,315
Deferred inflows - TMRS pension	331,457	22,059	353,516
Deferred inflows - TMRS OPEB	330,374	23,965	354,339
Deferred inflows - OPEB Health	617,261	-	617,261
Total deferred inflows of resources	2,022,673	278,800	2,301,473
NET POSITION			
Net investment in capital assets	472,883,752	74,231,905	547,115,657
Restricted for:			
Debt service	4,776,366	-	4,776,366
OPEB Asset	865,618	-	865,618
Capital projects	24,660,776	-	24,660,776
Municipal court	920,494	-	920,494
Reinvestment zone	11,565,009	-	11,565,009
Police	7,323,201	-	7,323,201
Parks and recreation	55,441,867	-	55,441,867
Library	21,403	-	21,403
Storm water	2,150,530	-	2,150,530
Promotion of culture and tourism	4,223,117	-	4,223,117
Impact fees	-	11,659,020	11,659,020
Unrestricted	88,137,949	70,801,660	158,939,609
TOTAL NET POSITION	$ 672,970,082	$ 156,692,585	$ 829,662,667

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas

Exhibit 2

Statement of Activities

For the Fiscal Year Ended September 30, 2024

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business - Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: TOTAL
PRIMARY GOVERNMENT:							
Governmental Activities:							
General government	$ 26,994,341	$ 2,271,472	$ 161,195	$ -	$ (24,561,674)	$ -	$ (24,561,674)
Public safety	27,798,598	1,081,451	125,414	-	(26,591,733)	-	(26,591,733)
Public works	10,709,563	3,337,594	-	4,890,150	(2,481,819)	-	(2,481,819)
Culture and recreation	19,939,371	5,607,865	89,175	-	(14,242,331)	-	(14,242,331)
Promotion of culture and tourism	871,217	-	-	-	(871,217)	-	(871,217)
Interest on long-term debt	1,867,737	-	-	-	(1,867,737)	-	(1,867,737)
Total governmental activities	88,180,827	12,298,382	375,784	4,890,150	(70,616,511)	-	(70,616,511)
Business-type Activities:							
Water and sewer	28,969,340	35,597,701	-	1,734,388	-	8,362,749	8,362,749
Total business-type activities	28,969,340	35,597,701	-	1,734,388	-	8,362,749	8,362,749
TOTAL PRIMARY GOVERNMENT	$ 117,150,167	$ 47,896,083	$ 375,784	$ 6,624,538	(70,616,511)	8,362,749	(62,253,762)
General revenues and transfers:							
General revenues							
Property taxes, levied for general purposes					43,315,203	-	43,315,203
Sales taxes					44,830,166	-	44,830,166
Franchise taxes					3,445,059	-	3,445,059
Investment income					11,116,664	3,839,868	14,956,532
Gain on disposal of capital assets					143,146	96,269	239,415
Miscellaneous					151,752	-	151,752
Transfers					1,608,855	(1,608,855)	-
Total general revenues and transfers					104,610,845	2,327,282	106,938,127
Change in net position					33,994,334	10,690,031	44,684,365
Net position, beginning of year					638,975,748	146,002,554	784,978,302
NET POSITION, end of year					$ 672,970,082	$ 156,692,585	$ 829,662,667

The Notes to the Financial Statements are an integral part of this statement.

Fund Financial Statements

Governmental Funds Financial Statements

City of Southlake, Texas

Balance Sheet – Governmental Funds
September 30, 2024

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	CAPITAL PROJECTS: GENERAL CAPITAL PROJECTS	CAPITAL PROJECTS: SOUTHLAKE PARKS DEVELOPMENT CORPORATION
ASSETS				
Cash and investments	$ 49,342,043	$ 2,262,936	$ 72,861,483	$ 14,348,812
Receivables, net of allowances for uncollectibles:				
Taxes	3,528,361	5,754	-	-
Interest	68,426	2,361	76,023	14,971
Leases	726,746	-	-	-
Other	813,244	28	-	-
Inventories	31,529	-	-	-
Prepaid items	13,376	-	-	-
TOTAL ASSETS	$ 54,523,725	$ 2,271,079	$ 72,937,506	$ 14,363,783
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 3,327,135	$ -	$ 973,261	$ 538,108
Accrued liabilities	1,699,290	-	-	-
Retainage payable	-	-	313,104	569,590
Deposits payable	67,476	-	659,635	-
Unearned revenue	781,384	-	930,167	-
TOTAL LIABILITIES	5,875,285	-	2,876,167	1,107,698
DEFERRED INFLOWS OF RESOURCES				
Unavailable resources	425,518	2,861	-	-
Deferred inflows - leases	680,315	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,105,833	2,861	-	-
FUND BALANCES				
Nonspendable	44,905	-	-	-
Restricted	-	2,268,218	24,660,776	13,256,085
Committed	-	-	-	-
Assigned	30,477,969	-	45,400,563	-
Unassigned	17,019,733	-	-	-
TOTAL FUND BALANCES	47,542,607	2,268,218	70,061,339	13,256,085
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 54,523,725	$ 2,271,079	$ 72,937,506	$ 14,363,783

The Notes to the Financial Statements are an integral part of this statement.

SPECIAL REVENUE				
SOUTHLAKE PARKS DEVELOPMENT CORPORATION	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ 12,980,903	$ 24,777,718	$ 34,174,694	$ 210,748,589
1,732,768	1,283,532	671,163	7,221,578
13,558	25,945	35,626	236,910
-	-	-	726,746
38,456	204,058	261,224	1,317,010
-	-	-	31,529
-	-	-	13,376
$ 14,765,685	$ 26,291,253	$ 35,142,707	$ 220,295,738
$ 92,963	$ 713,463	$ 1,181,398	$ 6,826,328
30,292	133,801	160,999	2,024,382
-	-	48,035	930,729
-	71,250	-	798,361
-	443,751	-	2,155,302
123,255	1,362,265	1,390,432	12,735,102
25,637	-	32,484	486,500
-	-	-	680,315
25,637	-	32,484	1,166,815
-	-	-	44,905
14,616,793	24,928,988	31,627,605	111,358,465
-	-	2,092,186	2,092,186
-	-	-	75,878,532
-	-	-	17,019,733
14,616,793	24,928,988	33,719,791	206,393,821
$ 14,765,685	$ 26,291,253	$ 35,142,707	$ 220,295,738

City of Southlake, Texas **Exhibit 4**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2024

Total fund balances - governmental funds	$ 206,393,821
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the governmental funds balance sheet (less $6,803,707 in assets allocated to governmental activities from the internal service fund).	525,602,573
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(314,927)
Internal service funds are used by management to charge the cost of certain activities, such as fleet management, to individual funds. This amount represents the assets less the liabilities of the internal service fund allocated to governmental activities.	19,889,716
OPEB asset has not been included in the governmental fund financial statements, as these assets do not represent current financial resources.	865,618
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	486,500
For debt refundings, the difference between the acquisition price and net carrying amount of the debt has been deferred and amortized in the government-wide financial statements. This amount is the net of deferred losses, $321,049, and gains ($63,266) on refundings.	257,788
Deferred outflows of resources related to the City's pension and OPEB liabilities result in an increase in net position in the government-wide financial statements.	8,251,232
Deferred inflows of resources related to the City's pension and OPEB liabilities result in a decrease in net position in the government-wide financial statements.	(1,279,092)
Long-term liabilities, including bonds payable and net pension and OPEB liabilities, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(87,183,147)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 672,970,082

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas

Statement of Revenues, Expenditures,
and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended September 30, 2024

			CAPITAL PROJECTS	
	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS	SOUTHLAKE PARKS DEVELOPMENT CORPORATION
REVENUES				
Ad valorem taxes, penalties and interest	$ 27,190,295	$ 5,690,222	$ -	$ -
Franchise taxes	3,445,059	-	-	-
Municipal sales and mixed beverage taxes	21,278,207	-	-	-
Licenses, permits and fees	1,924,639	-	-	-
Charges for services	2,373,061	-	-	-
Fines and forfeitures	860,634	-	-	-
Intergovernmental revenue	433,490	-	3,573,901	-
Capital recovery fees	-	-	143,101	-
Investment income (losses)	2,747,448	168,430	3,544,673	879,060
Contributions	31,505	-	1,481	-
Miscellaneous	134,402	-	-	-
Total revenues	60,418,740	5,858,652	7,263,156	879,060
EXPENDITURES				
Current				
General government				
City secretary/mayor	618,645	-	-	-
City manager's office	1,226,412	-	-	-
Human resources	905,101	-	-	-
Support services	5,762,333	-	-	-
Economic development	441,221	-	-	-
Finance	2,117,153	-	-	-
Municipal court	790,601	-	-	-
Teen court	164,960	-	-	-
Information technology	3,479,999	-	-	-
Public safety				
Police services	8,904,349	-	-	-
Fire services	12,192,174	-	-	-
Public safety support	1,702,592	-	-	-
Public works				
Public works administration	2,775,504	-	-	-
Streets and drainage	1,479,051	-	1,656,983	-
Planning	1,221,947	-	-	-
Building inspection	1,266,686	-	-	-
Cultural and recreation				
Community services	1,649,823	-	-	-
Parks and recreation	4,407,542	-	1,096	-
Library services	1,224,652	-	-	-
Promotion of culture and tourism	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	1,685,400	-	7,199,098	13,968,342
Debt service:				
Principal retirement	1,003,961	5,771,358	-	-
Interest and fiscal charges	53,272	1,209,680	-	-
Total expenditures	55,073,378	6,981,038	8,857,177	13,968,342
Excess (deficiency) of revenues over (under) expenditures	5,345,362	(1,122,386)	(1,594,021)	(13,089,282)
OTHER FINANCING SOURCES (USES)				
Issuance of lease	752,937	-	-	-
Issuance of subscriptions	333,898	-	-	-
Sale of capital assets	43,351	-	-	-
Transfers from other funds	3,131,080	397,341	9,250,000	5,500,000
Transfers to other funds	(11,033,486)	-	-	-
Total other financing sources (uses)	(6,772,220)	397,341	9,250,000	5,500,000
Net change in fund balances	(1,426,858)	(725,045)	7,655,979	(7,589,282)
Fund balances, beginning of year, as previously presented	48,969,465	2,993,263	62,405,360	-
Change within financial reporting entity (nonmajor to major)	-	-	-	20,845,367
Fund balances, beginning of year, as restated	48,969,465	2,993,263	62,405,360	20,845,367
FUND BALANCES, END OF YEAR	$ 47,542,607	$ 2,268,218	$ 70,061,339	$ 13,256,085

The Notes to the Financial Statements are an integral part of this statement.

SPECIAL REVENUE			
SOUTHLAKE PARKS DEVELOPMENT CORPORATION	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
$ -	$ -	$ 10,470,200	$ 43,350,717
-	-	-	3,445,059
10,661,725	7,897,574	4,992,660	44,830,166
-	-	342,310	2,266,949
255,389	4,541,874	1,613,076	8,783,400
-	-	101,507	962,141
-	-	7,060	4,014,451
-	-	-	143,101
599,793	1,111,659	1,562,175	10,613,238
-	14,840	43,029	90,855
-	1,104	16,246	151,752
11,516,907	13,567,051	19,148,263	118,651,829
-	-	-	618,645
-	-	-	1,226,412
-	-	-	905,101
-	-	529,694	6,292,027
-	-	-	441,221
-	-	-	2,117,153
-	-	71,208	861,809
-	-	-	164,960
-	-	-	3,479,999
-	-	2,880,543	11,784,892
-	-	7,060	12,199,234
-	-	-	1,702,592
-	-	-	2,775,504
-	-	602,947	3,738,981
-	-	-	1,221,947
-	-	-	1,266,686
2,337,909	6,181,162	31,327	10,200,221
-	-	-	4,408,638
-	-	7,889	1,232,541
-	-	871,217	871,217
-	-	6,849,951	6,849,951
72,236	-	1,756,017	24,681,093
-	13,016	4,213,141	11,001,476
-	1,073	1,221,886	2,485,911
2,410,145	6,195,251	19,042,880	112,528,211
9,106,762	7,371,800	105,383	6,123,618
-	-	-	752,937
-	-	43,458	377,356
-	-	-	43,351
-	-	5,908,632	24,187,053
(8,738,795)	(3,214,811)	(2,219,335)	(25,206,427)
(8,738,795)	(3,214,811)	3,732,755	154,270
367,967	4,156,989	3,838,138	6,277,888
14,248,826	20,771,999	50,727,020	200,115,933
-	-	(20,845,367)	-
14,248,826	20,771,999	29,881,653	200,115,933
$ 14,616,793	$ 24,928,988	$ 33,719,791	$ 206,393,821

City of Southlake, Texas **Exhibit 6**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Fund to the Statement of Activities
For the Fiscal Year Ended September 30, 2024

Net change in fund balances - total governmental funds		$ 6,277,888
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount of capital assets additions recorded in the current period (does not include additions of $1,758,809 allocated from internal service fund).		24,672,473
Depreciation and amortization expense on capital assets are reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation and amortization expenses are not reported as expenditures in the governmental funds. (does not include $1,351,619 allocated from internal service fund).		(10,024,229)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of the following items:		
Issuance of right-to-use leases	$ (752,937)	
Issuance of SBITAs	(377,356)	
Principal payments on debt	9,900,211	
Principal payments on financed purchases, lease and subscription liabilities	1,101,265	
Amortization of premiums and deferred gains and losses	548,574	
		10,419,757
The changes in net pension liability and deferred outflows/inflows from TMRS are not reported in the governmental funds. This is the net effect of the decrease in the net pension liability, $4,261,714, increase in deferred inflows of resources, ($331,457), and decrease in deferred outflows of resources, ($4,153,634).		(223,377)
The changes in total OPEB liability and deferred outflows/inflows from TMRS are not reported in the governmental funds. This is the net effect of the increase in the total SDBF OPEB liability ($75,116), decrease in deferred inflows of resources, $77,537, and decrease in deferred outflows of resources, ($20,607).		(18,186)
The changes in net OPEB liability and deferred outflows/inflows for healthcare are not reported in the governmental funds. This is the net effect of the increase in the total healthcare OPEB asset, $413,330, increase in deferred inflows of resources, ($70,950), and decrease in deferred outflows of resources, ($221,613).		120,767
Current year changes in the long-term liability for compensated absences do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		(429,055)
Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		69,600
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, to individual funds. The net income of the internal service fund is allocated entirely to governmental activities.		1,870,132
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities, the fair value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		1,171,669
Gain on disposal of capital assets results in an increase in net position, but the net effect is not reported in governmental funds.		5,654
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		81,241
Change in net position of governmental activities		$ 33,994,334

The Notes to the Financial Statements are an integral part of this statement.

Proprietary Funds Financial Statements

City of Southlake, Texas
Statement of Net Position – Proprietary Funds
September 30, 2024

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
ASSETS		
CURRENT ASSETS		
Cash and investments	$ 67,515,787	$ 10,890,635
Receivables, net of allowance for uncollectibles:		
Billed and unbilled trade accounts	6,705,485	-
Interest	96,127	11,218
Prepaid expenses	-	2,184,156
Restricted assets:		
Cash restricted for capital	24,193,275	-
Restricted cash for customer deposits	270,412	-
Total current assets	98,781,086	13,086,009
NON-CURRENT ASSETS		
Capital assets:		
Land	21,646,232	-
Buildings and improvements	935,501	-
Distribution system	159,003,927	-
Equipment	2,891,880	703,246
Vehicles	-	14,731,413
Capacity rights	9,190,988	-
Construction in progress	4,701,687	-
SBITA	87,316	-
Total capital assets	198,457,531	15,434,659
Less: accumulated depreciation and amortization	(102,121,987)	(8,630,952)
Capital assets, net of accumulated depreciation and amortization	96,335,544	6,803,707
Total non-current assets	96,335,544	6,803,707
Total assets	195,116,630	19,889,716
DEFERRED OUTFLOW OF RESOURCES		
Deferred loss on refunding	141,549	-
Deferred outflows - TMRS pension	572,088	-
Deferred outflows - TMRS OPEB	12,826	-
Total deferred outflows of resources	$ 726,463	$ -

The Notes to the Financial Statements are an integral part of this statement.

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	$ 2,452,788	$ -
Accrued liabilities	302,579	-
Retainage payable	19,187	-
Accrued interest payable	138,552	-
Unearned revenue	174,681	-
Current portion of compensated absences	20,686	-
Current portion of subscription liability	29,320	-
Current portion of total OPEB liability	1,192	-
Current portion of general obligation debt	2,477,694	-
Payable from restricted assets:		
Customer meter deposits	270,412	-
Total current liabilities	5,887,091	-
NON-CURRENT LIABILITIES		
Compensated absences	60,464	-
General obligation debt	31,641,275	-
Subscription liability	4,732	-
Net pension liability	1,214,748	-
Total OPEB liability	63,398	-
Total non-current liabilities	32,984,617	-
Total liabilities	38,871,708	-
DEFERRED INFLOW OF RESOURCES		
Deferred gain on refunding	232,776	-
Deferred inflows - TMRS pension	22,059	-
Deferred inflows - TMRS OPEB	23,965	-
Total deferred inflows of resources	278,800	-
NET POSITION		
Net investment in capital assets	74,231,905	6,803,707
Restricted for impact fees	11,659,020	-
Unrestricted	70,801,660	13,086,009
TOTAL NET POSITION	$ 156,692,585	$ 19,889,716

City of Southlake, Texas **Exhibit 8**

Statement of Revenues, Expenses,
and Changes in Net Position – Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
OPERATING REVENUES		
Charges for sales and services:		
Water, sewer and garbage	$ 35,550,815	$ -
Service charges	46,886	-
Total operating revenues	35,597,701	-
OPERATING EXPENSES		
Personnel services	2,917,911	-
Contractual services	2,676,685	-
Supplies	303,645	-
Utilities	9,868,178	-
Administrative	10,087	-
Maintenance	7,084,158	4,045
Professional benefits	99,882	-
Depreciation and amortization	5,224,740	1,351,619
Total operating expenses	28,185,286	1,355,664
OPERATING INCOME (LOSS)	7,412,415	(1,355,664)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	3,839,868	503,426
Gain on disposal of capital assets	96,269	94,141
Interest expense and bond administration expense	(784,054)	-
Total non-operating revenues (expenses)	3,152,083	597,567
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	10,564,498	(758,097)
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions - property owners	1,471,706	-
Contributions - impact fees	262,682	-
Transfers from other funds	-	2,628,229
Transfers to other funds	(1,608,855)	-
Total capital contributions and transfers	125,533	2,628,229
Change in net position	10,690,031	1,870,132
Net position, beginning of year	146,002,554	18,019,584
NET POSITION, END OF YEAR	$ 156,692,585	$ 19,889,716

City of Southlake, Texas

Exhibit 9

Statement of Cash Flows – Proprietary Funds
For the Fiscal Year Ended September 30, 2024

	BUSINESS-TYPE ACTIVITIES WATER AND SEWER ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES VEHICLE AND EQUIPMENT REPLACEMENT INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and users	$ 36,279,967	$ -
Cash payments to suppliers	(21,601,529)	(1,147,000)
Cash payments to employees	(2,919,238)	-
Net cash provided by (used in) operating activities	11,759,200	(1,147,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(1,717,392)	(1,766,294)
Principal payments on bonds	(2,488,643)	-
Proceeds from issuance of bonds	9,805,000	-
Premium on bond issuance	1,279,193	-
Principal payments on subscription liability	(28,880)	-
Interest paid on capital debt	(1,004,881)	-
Proceeds from disposal of capital assets	96,269	16,141
Contributions - impact fees	262,682	-
Net cash provided by (used in) capital and related financing activities	6,203,348	(1,750,153)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	2,628,229
Transfers to other funds	(1,608,855)	-
Net cash provided by (used in) non-capital financing activities	(1,608,855)	2,628,229
CASH FLOWS FROM INVESTING ACTIVITIES		
Net investment gains	3,839,868	503,426
Interest received	(75,638)	(8,235)
Net cash provided by investing activities	3,764,230	495,191
Net change in cash and cash equivalents	20,117,923	226,267
CASH AND CASH EQUIVALENTS, beginning of year	71,861,551	10,664,368
CASH AND CASH EQUIVALENTS, end of year	$ 91,979,474	$ 10,890,635
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	$ 67,515,787	$ 10,890,635
Cash restricted for capital	24,193,275	-
Restricted cash for customer deposits	270,412	-
Total cash and cash equivalents	$ 91,979,474	$ 10,890,635
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	$ 7,412,415	$ (1,355,664)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	5,224,740	1,351,619
Decrease (increase) in assets and deferred outflows of resources		
Receivables	719,686	-
Prepaid expenses	-	(1,142,955)
Deferred outflows of resources - pensions and OPEB	277,809	-
Increase (decrease) in liabilities and deferred outflows of resources		
Payables and accruals	(1,576,298)	-
Customer deposits	(27,925)	-
Deferred inflows of resources - pensions and OPEB	16,898	-
Decrease in pension and OPEB liabilities	(278,630)	-
Unearned revenue	(9,495)	-
Net cash provided by (used in) operating activities	$ 11,759,200	$ (1,147,000)
NON-CASH CAPITAL AND RELATED FINANCING:		
Contributions of capital assets from developers	$ 1,471,706	$ -

Fiduciary Fund Financial Statements

City of Southlake, Texas **Exhibit 10**

OPEB Liability Trust Fund
Statement of Fiduciary Net Position
December 31, 2023

	Trust Fund* Southlake OPEB Liability
ASSETS	
Investments	$ 2,740,052
TOTAL ASSETS	$ 2,740,052
NET POSITION	
Restricted for post employment benefits other than pensions	$ 2,740,052
TOTAL NET POSITION	$ 2,740,052

* The Southlake Other Post Employment Benefit (OPEB) Liability Trust Fund is reported as of December 31, 2023.

The Notes to the Financial Statements are an integral part of this statement.

City of Southlake, Texas **Exhibit 11**

OPEB Liability Trust Fund
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2023

	Trust Fund Southlake OPEB Liability
ADDITIONS	
Employer contributions	$ 209,818
Investment earnings, net of unrealized/realized gain/(loss)	269,081
TOTAL ADDITIONS	478,899
DEDUCTIONS	
Benefit payments	69,818
Administrative expenses	8,145
TOTAL DEDUCTIONS	77,963
Change in net position	400,936
Net position, beginning of year	2,339,116
NET POSITION - END OF YEAR	$ 2,740,052

The Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

General Statement

The City of Southlake (the City) operates under a Home Rule Council – Manager form of government. All powers of the City are vested in an elected council, which enables local legislation, adopts budgets, determines policies and appoints the City Manager. The City Manager is responsible for executing the laws and administering the government of the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

Financial Reporting Entity

The City is governed by an elected mayor and six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. The criteria for including legally separate organizations as component units within the City's reporting entity are set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Based on these criteria, the financial information of the following entities has been blended within the reporting entity. Individual financial statements are not available for these component units.

Southlake Parks Development Corporation (SPDC) – The SPDC is a nonprofit industrial development corporation formed in January 1994 under the Development Corporation Act of 1979. The SPDC is organized exclusively to act on behalf of the City for the financing, development and operation of parks and recreation facilities. The affairs of the SPDC are managed by a seven member board of directors, of which four are members of the City Council. The annual corporate budget and issuance of debt must be approved by the City Council. Since the Board of the SPDC is substantively the same as the City Council, the SPDC has been reported as a blended component unit.

Southlake Community Enhancement and Development Corporation (CEDC) – The CEDC was formed under the Development Corporation Act of 1979, as amended, Title 12, Subtitle C1 of the Texas Local Government Code. The CEDC is organized to promote economic development within the City, including developing, implementing, providing and financing projects including a community entertainment and recreation center for the City. The CEDC is governed by a seven member board appointed by the City Council. The annual budget and issuance of debt must be approved by the City Council. Since the CEDC provides services entirely to the City, it has been reported as a blended component unit.

Southlake Tax Increment Financing District (TIF) – The TIF was formed to finance and make public improvements, under the authority of the Tax Increment Financing Act. The TIF is governed by a nine member board of directors consisting of the eight members appointed by the City Council, and one member appointed by Carroll Independent School District. Since the Board of the TIF is substantively the same as the City Council, the City has operational responsibility for the TIF and the City receives financial benefit from the TIF, the TIF has been reported as a blended component unit.

Southlake Crime Control and Prevention District (CCD) – The CCD was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention Act. The CCD is organized exclusively to act on behalf of the City for the financing, development and crime control throughout the City. The CCD is governed by a seven member board appointed by the City Council. The annual budget and issuance of debt must be approved by the City Council. Since the CCD provides services entirely to the City, it has been reported as a blended component unit.

Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except for fiduciary funds. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column in the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources.

Governmental Funds

The City reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

General Obligation Debt Service Fund

The General Obligation Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the City. The fund balance of the General Obligation Debt Service Fund is restricted exclusively for debt service expenditures.

General Capital Projects Fund
The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

Southlake Parks Development Corporation Capital Projects Fund
The Southlake Parks Development Corporation Capital Projects (SPDCCP) Fund was established to fund the acquisition and construction of park recreational facilities as approved by the SPDC board of directors. The fund has been funded primarily through the issuance of general obligation debt.

Southlake Parks Development Corporation
The Southlake Parks Development Corporation (SPDC) Fund (Special Revenue) was established to account for the general operations of the non-profit corporation established to finance, develop and operate park and recreational facilities. The SPDC is funded primarily through municipal sales taxes.

Community Enhancement and Development Corporation
The Community Enhancement and Development Corporation (CEDC) Fund (Special Revenue) was established to account for the general operations of the non-profit corporation established to finance, develop and operate a community entertainment and recreation center. The CEDC is funded primarily through municipal sales taxes and user fees.

Proprietary Funds
Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the Statement of Net Position.

The City reports the following major proprietary fund:

Water and Sewer Enterprise Fund
The Water and Sewer Enterprise Fund is used to account for the acquisition, operation and maintenance of a municipal water and sewer utility, supported primarily by user charges to the public.

Additionally, the City reports an Internal Service Fund which is used to account for vehicle and equipment replacement provided to departments of the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds
The City also presents one trust fund, Southlake OPEB Liability Trust Fund. The City's OPEB Liability Trust Fund accounts for the funding of postemployment healthcare benefits for retirees of the City and their dependents which is presented as of December 31, 2023.

Measurement Focus and Basis of Accounting
Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary and fiduciary funds are reported using the accrual basis of accounting. The government-wide, proprietary fund, and fiduciary trust fund financial statements are prepared using the economic resources measurement focus. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included in the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes and interest are susceptible to accrual. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents and Investments
In accordance with GASB Statement No. 31, the City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at the time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. As of September 30, 2024, the investments held by the City had a remaining maturity of greater than one year from purchase and accordingly are carried at fair value.

The City's cash and cash equivalents are defined as cash on hand, cash and pooled investment demand deposits held with financial institutions, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents also includes long-term investments with maturity of greater than one year. The classification of the City's cash and cash equivalents is reported in Note 2.

The City pools idle cash from all funds for the purpose of increasing income through coordinated investment activities. Interest earnings are allocated to the respective funds based upon each fund's relative balance in the pool.

Cash and cash equivalents reported as restricted are restricted for debt service, acquisition and construction of capital assets, and for utility deposits held by the City.

Property Taxes
The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Appraised values are established by the Central Appraisal Districts at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2023 levy was based on was $11,359,781,892. Taxes are due on October 1 and are delinquent after the following January 31.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2024 was 0.319 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

Interfund Receivables and Payables
Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions between Funds
Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except interfund services provided and used and reimbursements, are recorded as transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Inventories
Inventories are stated at cost (first-in, first-out) and are determined annually by taking a physical inventory. Inventory in the general fund consists of gasoline held for consumption and is reported on the consumption method. Under the consumption method the cost is recorded as an expenditure at the time individual inventory items are utilized.

Prepaid Items
Certain payments reflect costs applicable to future periods and are recorded as prepaid items in the government-wide and fund financial statements. These items consist principally of postage and deposits for purchases and are reported on the consumption method.

Leases
Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases, which required the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Lessee – The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary funds financial statements.

At implementation of GASB Statement No. 87, the City initially measured the lease liabilities at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor – The City recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

At implementation of GASB Statement No. 87, the City measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITAs)
The City has noncancellable contracts with SBITA vendors for the right-to-use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of $5,000 or more.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Capital Assets
Capital assets, which include property, plant, equipment, right-to-use lease assets, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset lives are not capitalized. Renewals and betterments are capitalized.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation/amortization has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	20 - 50 Years
Water and sewer distribution system	35 - 50 Years
Water hydrants	10 - 15 Years
Water tanks	35 Years
Computer equipment	5 Years
Heavy equipment and vehicles	10 - 20 Years
Light vehicles	2 - 10 Years
Vehicles	5 Years
Improvements	25 Years
Infrastructure	10 Years

The street network is not depreciated. The City has elected to use the modified approach in accounting for its street infrastructure. The modified approach allows governments to report as expenses in lieu of depreciation, infrastructure expenditures which maintain the asset but do not add to or improve the asset. Additions and improvements to the street network are capitalized. The City uses an asset management system to rate street condition and quantify the results of maintenance efforts.

The City has established the Vehicle and Equipment Replacement Internal Service Fund to account for City-owned vehicles and equipment. The fund receives transfers from other funds.

Right-to-use lease and subscription assets are amortized over the duration of the lease or subscription using the straight-line method.

Compensated Absences
City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until paid upon retirement or termination. Employees with 10 to 20 year tenures of continuous employment with the City are eligible to receive payment of their unused sick leave, within certain limitations. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay based upon the years of service. All vacation is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

Long-Term Obligations
In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, as well as any deferred losses and gains on the refunding of bonds, are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recorded as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions and Other Postemployment Benefits (OPEB)
For purposes of measuring the net pension and net OPEB liabilities (assets), pension and OPEB related deferred outflows and inflows of resources and pension and OPEB expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the City's Total Pension Liability and Total OPEB Liability is obtained from TMRS through reports prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, and GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Information regarding the City's Total OPEB Liability of its Retiree Health Care Plan is obtained from Public Agency Retirement Services (PARS) through reports prepared for the City by PARS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

Deferred Outflows of Resources
In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

Deferred loss on refunding – these deferred outflows result from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized as a reduction of the pension/OPEB liability in the following fiscal year); changes in actuarial assumptions and/or differences between expected and actual economic experience (deferred and amortized over the estimated average remaining lives of participants) and/or differences in projected and actual earnings on pension/OPEB assets (deferred and amortized over a closed five year period).

Deferred Inflows of Resources
In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources, which represents acquisitions of net assets that apply to future periods.

Deferred gain on refunding – these deferred inflows result from the difference in the debt's reacquisition price and its carrying value that was refunded. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Pensions/OPEB – Differences in expected and actual experience and differences in assumption changes are deferred and amortized over a closed period equal to the estimated average remaining lives of all employees provided pensions through the plan, while investment experience differences are amortized over a closed 5-year period.

Deferred Inflows from Leases
Collections of lease receivables are deferred in both the governmental fund and government wide financial statements. These amounts are recognized in a systematic manner over the life of the lease.

Deferred Inflows from Unavailable Revenues
In addition to liabilities, the governmental funds balance sheet reports deferred inflows from receivables that were not collected within 60 days of year-end. The deferred inflow from receivables balances and changes are reported as a reconciling amount to the statements of net position and activities.

Fund Balances
The City classifies governmental fund balances as follows:

1. Nonspendable fund balance – includes amounts that are not in a spendable form or are required to be maintained intact (example – inventory or permanent funds).
2. Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation (example – court technology and court security funds).
3. Committed fund balance – includes amounts that can only be used for specific purposes determined by City Council (example – capital projects and police expenditures).
4. Assigned fund balance – comprises amounts intended to be used by the City for specific purposes. Intent can be expressed by the City Council or their designee (Chief Financial Officer). In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund (example – facility maintenance and economic investments).
5. Unassigned fund balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications.

The City has also adopted the following policies:

Committed Fund Balance - The City Council is the City's highest level of decision-making authority and approval by ordinance is required to establish, modify, or rescind a fund balance commitment. The ordinance must either be approved or rescinded, as applicable, prior to the last day of the fiscal year. The amount subject to the constraint may be determined in the subsequent period.

Assigned Fund Balance - The City Council has authorized the City's Chief Financial Officer as the official authorized to assign fund balance to a specific purpose as approved by this fund balance policy.

Unassigned Fund Balance - It is the goal of the City to maintain a fund balance in the General Fund, equal to a minimum of 15% of General Fund budgeted operating expenditures, with the optimum goal of 25%. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances.

It is the goal of the City to maintain 60 days of working capital in the Water and Sewer Enterprise Fund, with the optimum goal of 90 days of working capital.

The City shall also maintain all reserve funds for all statutorily required reserve funds to guarantee debt service.

Order of Expenditure of Funds - When multiple categories of fund balance are available for expenditures, the City will start with the most restricted category and spend those funds first before moving to the next category with available funds (restricted, committed, assigned and unassigned).

During fiscal year 2006, the City began assigning funds for strategic initiatives. The source of these funds is reserves in excess of 25% of General Fund expenditures. The funds will be used for one-time high impact projects involving infrastructure maintenance, community enhancement and capital acquisition and are reported as assigned fund balance in the General Fund. The City reported an assigned fund balance in its General Capital Projects Fund of $45,400,563 on September 30, 2024. This fund balance is assigned with the intent to cash-fund future capital projects.

As of September 30, 2024, the City had the governmental fund balances categorized as follows:

	GENERAL	GENERAL OBLIGATION DEBT SERVICE	GENERAL CAPITAL PROJECTS	SOUTHLAKE PARKS DEVELOPMENT CORPORATION CAPITAL PROJECTS FUND	SOUTHLAKE PARKS DEVELOPMENT CORPORATION SPECIAL REVENUE	COMMUNITY ENHANCEMENT DEVELOPMENT CORPORATION SPECIAL REVENUE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
FUND BALANCES								
Nonspendable for:								
Inventories	$ 31,529	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,529
Prepaid items	13,376	-	-	-	-	-	-	13,376
Restricted for:				-				
Debt service	-	2,268,218	-	-	-	-	2,783,850	5,052,068
Capital projects	-	-	24,660,776	-	-	-	-	24,660,776
Municipal court	-	-	-	-	-	-	920,494	920,494
Reinvestment zone	-	-	-	-	-	-	11,565,009	11,565,009
Parks and recreation	-	-	-	13,256,085	14,616,793	24,928,988	2,640,001	55,441,867
Storm water	-	-	-	-	-	-	2,150,530	2,150,530
Police	-	-	-	-	-	-	7,323,201	7,323,201
Library	-	-	-	-	-	-	21,403	21,403
Promotion of tourism	-	-	-	-	-	-	4,223,117	4,223,117
Committed for:				-				
Police	-	-	-	-	-	-	2,031,814	2,031,814
Parks and recreation	-	-	-	-	-	-	60,372	60,372
Assigned for:				-				
Teen Court	23,161	-	-	-	-	-	-	23,161
Senior Center	12,061	-	-	-	-	-	-	12,061
Recycling	77,363	-	-	-	-	-	-	77,363
Reforestation	160,358	-	-	-	-	-	-	160,358
Public art	539,053	-	-	-	-	-	-	539,053
Facility maintenance	12,934,258	-	-	-	-	-	-	12,934,258
Economic investment	3,541,789	-	-	-	-	-	-	3,541,789
Strategic initiatives	13,189,926	-	-	-	-	-	-	13,189,926
Capital projects	-	-	45,400,563	-	-	-	-	45,400,563
Unassigned	17,019,733	-	-	-	-	-	-	17,019,733
TOTAL FUND BALANCES	$ 47,542,607	$ 2,268,218	$ 70,061,339	$ 13,256,085	$ 14,616,793	$ 24,928,988	$ 33,719,791	$ 206,393,821

Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Deficit Fund Balance

There are no deficit fund balances reported as of September 30, 2024.

New Accounting Pronouncements
The GASB pronouncements effective in fiscal year 2024 and beyond are listed as follows:

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62, enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City has implemented this Statement in fiscal year 2024.

GASB Statement No. 101, *Compensated Absences*, will better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

GASB Statement No. 102, *Certain Risk Disclosures*, will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

GASB Statement No. 103, *Financial Report Model Improvements*, will establish new accounting and financial reporting requirements – or modify existing requirements – related to the following:

- Management's discussion and analysis
- Unusual or infrequent items
- Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position
- Information about major component units in basic financial statements
- Budgetary comparison information
- Financial trends information in the statistical section

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will establish requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. It will also establish requirements for capital assets held for sale, including additional disclosures for these capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City is currently evaluating the impact of this Statement.

Subsequent Events
The City has evaluated all events or transactions that occurred after September 30, 2024 through February 21, 2025, the date the financial statements were available to be issued. During this period, there were no subsequent events requiring disclosure.

Note 2. Cash and Investments

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2024, the carrying amount of the City's on demand deposits was $18,992,263 and the bank balance was $19,211,504. As of September 30, 2024, none of the City's deposits were uncollateralized.

The following legal and contractual provisions govern deposits and investments:

> The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies.

Among other things, the Public Funds Investment Act (PFIA) requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) and bid solicitation preferences for certificates of deposit.

Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio
U.S. Government securities	5 years	100%
Municipal obligations	5 years	50%
Repurchase agreements	90 days	50%
Certificates of deposit	5 years	100%
Bankers acceptances	270 days	20%
Commercial paper	365 days	20%
Money Market Mutual Funds	60 days*	50%
Eligible investment pools	N/A	100%
Insured deposit accounts	N/A	20%

*dollar weighted average maturity

The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2024, are classified in the accompanying financial statements as follows:

Primary Government:	
Cash and cash equivalents	$ 286,892,075
Restricted cash and cash equivalents	26,456,211
Restricted cash for customer deposits	270,412
Total primary government	313,618,698
Trust Fund:	
Investments at fair value	2,740,052
Total fiduciary funds	2,740,052
Total cash and investments	$ 316,358,750

Cash and investments of the primary government as of September 30, 2024 consist of the following:

Cash on hand	$ 4,150
Deposits with financial institutions	18,992,263
Investments at amortized cost	164,400,719
Investments at fair value	130,221,566
Total cash and investments	$ 313,618,698

Disclosures Relating to Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2024, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
U.S. Government securities	$ 38,008,980	N/A	AAA
Mutual funds	92,212,586	N/A	AAAm
TexStar	59,445,962	AAA / AAAm	AAAm
TexPool	36,468,953	AAA / AAAm	AAAm
Lonestar Investment Pool	41,125,283	AAA / AAAm	AAAm
Texas Class	27,360,521	AAA / AAAm	AAAm
Total	$ 294,622,285		

Concentration of Credit Risk
The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2024, the City investments other than external investment pools that represent 5% or more of the City's investments include mutual funds, municipal bonds, commercial paper and U.S. Government securities as described in the table in the following Custodial Credit Risk section.

Custodial Credit Risk
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. As of September 30, 2024, none of the City's cash deposits were uncollateralized.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The City has recurring fair value measurements as presented in the table below. The City's investment balances and weighted average maturity of such investments are as follows:

		Fair Value Measurements				
	Value at 9/30/24	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Percent of Total Investments	Weighted Average Maturity (Days)
Investments not subject to Fair Value						
Investment Pools						
TexPool	$ 36,468,953	$ -	$ -	$ -	13%	28
TexStar	59,445,962	-	-	-	20%	30
Lone Star	41,125,283	-	-	-	14%	27
Texas CLASS	27,360,521	-	-	-	9%	29
Investments by Fair Value Level						
U.S. Treasury Notes & Bonds	21,819,221	-	21,819,221	-	7%	39
U.S. Government securities	16,189,759	-	16,189,759	-	6%	130
Mutual Funds Short-Term Investments Trust	92,212,586	92,212,586	-	-	31%	28
Total	$ 294,622,285	$ 92,212,586	$ 38,008,980	$ -	100%	44

Mutual funds reported as level 1 are valued at the net asset value (NAV) of shares held by the City at year end. The NAV is a quoted price in an active market.

U.S. Government Securities, commercial paper and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investment in State Investment Pools

The City is a voluntary participant in four investment pools: TexPool, TexStar, Texas CLASS and Lone Star.

State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TexStar is administered by Hilltop Securities and JPMorgan Chase. TexStar is a local government investment pool created under the Interlocal Cooperation Act specifically tailored to meet Texas state and local government investment objectives of preservation of principal, daily liquidity, and competitive yield. TexStar uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexStar is the same as the value of TexStar shares.

Texas CLASS is organized under the Sixth Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of the Public Funds Investment Act. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies. Texas CLASS is measured at fair value (i.e., net asset value).

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the City's position in the Pool is the same as the value of the Pool shares.

Note 3. Receivables

Receivables at September 30, 2024, for the government's individual major, nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, consist of the following:

	General	General Obligation Debt Service	General Capital Projects	SPDC Capital Projects	SPDC Operating Special Revenue
Receivables:					
Property taxes	$ 335,899	$ 69,979	$ -	$ -	$ -
Sales taxes	3,500,741	-	-	-	1,732,768
Accounts	-	-	-	-	38,456
Interest	68,426	2,361	76,023	14,971	13,558
Leases	726,746	-	-	-	-
Other	813,244	28	-	-	-
Gross receivables	5,445,056	72,368	76,023	14,971	1,784,782
Less: allowance	308,279	64,225	-	-	-
Net total receivables	$ 5,136,777	$ 8,143	$ 76,023	$ 14,971	$ 1,784,782

	CEDC Special Revenue	Non-Major Governmental	Water and Sewer	Internal Service	Primary Government Total
Receivables:					
Property taxes	$ -	$ -	$ -	$ -	$ 405,878
Sales taxes	1,283,532	671,163	-	-	7,188,204
Accounts	-	262,918	6,761,149	-	7,062,523
Interest	25,945	35,626	96,127	11,218	344,255
Leases	-	-	-	-	726,746
Other	204,058	-	-	-	1,017,330
Gross receivables	1,513,535	969,707	6,857,276	11,218	16,744,936
Less: allowance	-	1,694	55,664	-	429,862
Net total receivables	$ 1,513,535	$ 968,013	$ 6,801,612	$ 11,218	$ 16,315,074

The Water and Sewer Fund and the Storm Water Utility Fund accounts receivable include unbilled charges for services rendered through September 30, 2024, of $2,932,370.

Lease Receivables
The City is a lessor for non-cancelable leases of the right-to-use of land, buildings, and infrastructure for which the City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. The interest rates for the leases approximate 2.9% annually, and the terms range from 5 to 25 years. The lease receivables that exist at September 30, 2024, relate to leases whose terms expire between December 2024 and January 2028.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The City has $726,746 remaining in lease receivables and $680,315 remaining in deferred inflow as of September 30, 2024. The City recorded lease revenue including interest of $287,283 in the fiscal year.

As of September 30, 2024, the expected lease receipts through the expiration of all leases for which the City is a lessor is as follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2025	$ 226,422	$ 20,247	$ 246,669
2026	239,670	13,331	253,001
2027	213,636	6,016	219,652
2028	47,018	284	47,302
Total	$ 726,746	$ 39,878	$ 766,624

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Governmental Activities:					
Capital assets not being depreciated/amortized:					
Land	$ 97,313,799	$ 247,447	$ -	$ -	$ 97,561,246
Street infrastructure	232,950,577	488,881	-	2,165,215	235,604,673
Construction-in-progress	17,195,881	22,858,010	-	(9,743,396)	30,310,495
Total capital assets not being depreciated/amortized	347,460,257	23,594,338	-	(7,578,181)	363,476,414
Capital assets being depreciated/amortized:					
Land improvements	42,070,435	-	-	(155,827)	41,914,608
Buildings and building improvements	142,309,234	-	-	5,155,015	147,464,249
Public art	1,956,720	-	-	-	1,956,720
Equipment	41,808,368	2,528,776	(715,012)	130,920	43,753,052
Drainage infrastructure	65,810,992	435,341	-	2,448,073	68,694,406
Right-to-use assets:					
Lease buildings	-	312,041	-	-	312,041
Lease equipment	755,549	410,827	(439,564)	-	726,812
Subscriptions	3,071,032	615,392	(154,936)	-	3,531,488
Total capital assets being depreciated/amortized	297,782,330	4,302,377	(1,309,512)	7,578,181	308,353,376
Accumulated depreciation/amortization:					
Land improvements	(28,016,860)	(1,836,011)	-	-	(29,852,871)
Buildings and building improvements	(36,355,279)	(3,190,823)	-	-	(39,546,102)
Public art	(1,269,408)	(108,300)	-	-	(1,377,708)
Equipment	(29,450,357)	(3,234,245)	715,012	-	(31,969,590)
Drainage infrastructure	(33,038,063)	(1,813,916)	-	-	(34,851,979)
Right-to-use assets:					
Lease buildings	-	(78,010)	-	-	(78,010)
Lease equipment	(308,219)	(130,075)	280,890	-	(157,404)
Subscriptions	(704,116)	(984,468)	98,738	-	(1,589,846)
Total accumulated depreciation/amortization	(129,142,302)	(11,375,848)	1,094,640	-	(139,423,510)
Total capital assets being depreciated/amortized, net	168,640,028	(7,073,471)	(214,872)	7,578,181	168,929,866
Governmental activities capital assets, net	$ 516,100,285	$ 16,520,867	$ (214,872)	$ -	$ 532,406,280

	Beginning Balance	Capital Acquisitions	Sales or Disposals	Adjustments/ Transfers	Ending Balance
Business Type Activities:					
Capital assets not being depreciated/amortized:					
Land	$ 21,447,794	$ 198,438	$ -	$ -	$ 21,646,232
Construction-in-progress	5,519,581	1,299,652	-	(2,117,546)	4,701,687
Total capital assets not being depreciated/amortized	26,967,375	1,498,090	-	(2,117,546)	26,347,919
Capital assets being depreciated/amortized:					
Buildings and building improvements	935,501	-	-	-	935,501
Equipment	3,024,292	11,539	(287,380)	143,429	2,891,880
Capacity rights	9,190,988	-	-	-	9,190,988
Distribution system	155,756,543	1,273,267	-	1,974,117	159,003,927
Subscriptions	-	87,316	-	-	87,316
Total capital assets being depreciated/amortized	168,907,324	1,372,122	(287,380)	2,117,546	172,109,612
Accumulated depreciation/amortization:					
Buildings and building improvements	(827,858)	(30,318)	-	-	(858,176)
Equipment	(2,980,511)	(24,953)	287,380	-	(2,718,084)
Capacity rights	(5,174,595)	(183,820)	-	-	(5,358,415)
Distribution system	(88,201,663)	(4,937,303)	-	-	(93,138,966)
Subscriptions	-	(48,346)	-	-	(48,346)
Total accumulated depreciation/amortization	(97,184,627)	(5,224,740)	287,380	-	(102,121,987)
Total capital assets being depreciated/amortized, net	71,722,697	(3,852,618)	-	2,117,546	69,987,625
Business type activities capital assets, net	$ 98,690,072	$ (2,354,528)	$ -	$ -	$ 96,335,544

Depreciation/amortization expenses were charged as a direct expense to functions of the primary government as follows:

Governmental activities:	
General government	$ 2,831,058
Public safety	2,426,103
Public works	2,125,209
Culture and recreation	3,993,478
Total depreciation/amortization expense - governmental activities	$ 11,375,848
Business-type activities:	
Water and Sewer	$ 5,224,740

Note 5. Long-Term Debt

The City issues general obligation bonds, combination tax and revenue certificates of obligation and tax notes to provide for the acquisition and construction of major capital facilities and infrastructure. Combination tax and revenue certificates of obligation are issued for both governmental and business-type activities. General obligation bonds, governmental revenue bonds and tax notes pledge the full faith and credit of the City. Combination tax and revenue certificates of obligation are payable from the net revenues of the water and sewer system and general debt service tax.

In prior years, the City has legally defeased certain outstanding general obligation and revenue debt by placing funds into irrevocable trusts pledged to pay all future debt service payments of the refunded debt. Accordingly, a liability for the defeased debt issues is not included in the City's financial statements. As of September 30, 2024, the City had no additional outstanding bonds that were legally defeased.

As of September 30, 2024, the City had $9,881,821 in authorized but unissued general obligation bonds. The City does not anticipate the issuance of additional general obligation debt within the next twelve months.

General obligation bonds, certificates of obligation, tax notes, and governmental revenue bonds are as follows as of September 30, 2024:

General Obligation Bonds and Certificates of Obligation	Final Maturity	Interest Rates	Governmental	Business-Type
$11,300,000 Series 2012, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2032	3.0 - 4.25%	$ 2,770,000	$ 1,300,000
$9,965,000 Series 2012, General Obligation Refunding Bonds	2026	3.0 - 4.25%	1,610,000	-
$14,250,000 Series 2013, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2033	2.0 - 5.0%	-	1,320,000
$22,295,000 Series 2013, General Obligation Refunding Bonds	2026	2.0 - 5.0%	4,255,000	-
$21,330,000 Series 2014, General Obligation Refunding Bonds	2026	2.0 - 5.0%	125,000	235,000
$8,780,000 Series 2014, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2034	2.0 - 3.5%	-	2,085,000
$3,295,000 Series 2015, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2035	2.75 - 4.0%	-	2,520,000
$7,910,000 Series 2017, General Obligation Refunding Bonds	2028	3.0 - 4.0%	1,716,477	1,828,520
$5,400,000 Series 2017, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2037	2.25 - 5.0%	-	4,005,000
$4,205,000 Series 2018, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2038	3.0 - 4.0%	-	3,255,000
$17,290,000 Series 2019, General Obligation Refunding Bonds	2030	3.0 - 5.0%	2,845,000	3,695,000
$4,240,000 Series 2021, General Obligation Refunding Bonds	2031	1.21%	1,434,000	1,606,000
$8,595,000 Series 2022, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2037	4.0 - 5.0%	5,990,000	-
$9,805,000 Series 2024, Tax and Waterworks and Sewer System (Limited Pledge) Certificates of Obligation	2039	4.0-5.0%	-	9,805,000
			$ 20,745,477	$ 31,654,520

Governmental Revenue Bonds	Final Maturity	Interest Rates	Governmental
$16,000,000 Series 2014, Southlake Parks Development Corporation, Sales Tax Revenue Refunding Bonds	2027	3%	$ 3,155,000
$24,450,000 Series 2016, Southlake Community Enhancement and Development Corporation, Sales Tax Revenue Bonds	2036	3.00 - 5.00%	17,475,000
$9,945,000 Series 2017, Southlake Community Enhancement and Development Corporation, Sales Tax Revenue Bonds	2036	2.00 - 5.00%	7,065,000
			$ 27,695,000

Governmental Tax Notes	Final Maturity	Interest Rates	Governmental
$3,753,000 Series 2021, Tax Notes	2026	0.83%	$ 1,354,000
$13,397,000 Series 2023, Tax Notes	2030	3.48%	13,397,000
			$ 14,751,000

During 2024, the City issued $9,805,000 of Water and Sewer Revenue Certificates of Obligation, Series 2024. The debt was issued for the purpose of improving, extending and equipping the City's combined waterworks and sewer system.

The following is a summary of long-term liability transactions for the year ended September 30, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Governmental activities:					
General obligation bonds and certificates of obligation	$ 26,796,835	$ -	$ (6,051,358)	$ 20,745,477	$ 6,298,304
Sales tax revenue bonds	30,775,000	-	(3,080,000)	27,695,000	3,025,000
Tax notes	15,420,000	-	(669,000)	14,751,000	804,000
Bond premiums (discounts)	3,955,121	-	(795,266)	3,159,855	-
Total bonds payable	76,946,956	-	(10,595,624)	66,351,332	10,127,304
Total OPEB liability - SDBF	728,306	75,116	-	803,422	17,916
Net pension liability	18,318,244	-	(4,261,715)	14,056,529	-
Compensated absences	2,703,252	3,516,404	(3,087,348)	3,132,308	725,807
Financed purchase liabilities	308,329	-	(99,853)	208,476	102,748
Right-to-use lease liability	448,904	752,937	(388,322)	813,519	225,205
Subscription liability	2,165,395	377,356	(725,190)	1,817,561	825,871
Total governmental activities	$ 101,619,386	$ 4,721,813	$ (19,158,052)	$ 87,183,147	$ 12,024,851

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due within One year
Business-type activities:					
General obligation bonds and certificates of obligation	$ 24,338,163	$ 9,805,000	$ (2,488,643)	$ 31,654,520	$ 2,477,694
Bond premiums	1,467,048	1,279,193	(281,792)	2,464,449	-
Total bonds payable	25,805,211	11,084,193	(2,770,435)	34,118,969	2,477,694
Total OPEB liability - SDBF	59,591	4,999	-	64,590	1,192
Net pension liability	1,498,377	-	(283,629)	1,214,748	-
Compensated absences	98,554	198,898	(216,302)	81,150	20,686
Subscription liability	-	62,932	(28,880)	34,052	29,320
Total business-type activities	$ 27,461,733	$ 11,351,022	$ (3,299,246)	$ 35,513,509	$ 2,528,892

Typically, liquidation of the liabilities for compensated absences, total OPEB, and net pension occurs within the General Fund, Community Enhancement Development Corporation Special Revenue Fund, and the Water and Sewer Enterprise Fund where the payroll costs are incurred.

Typically, liquidation of bonds payable occurs from the General Obligation Debt Service Fund, Southlake Parks Development Corporation Debt Service Fund, and Community Enhancement Development Corporation Debt Service Fund.

The annual aggregate maturities for each bond type are as follows:

General Obligation Bonds and Certificates of Obligation

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	$ 6,298,304	675,660	$ 6,973,964
2026	6,560,251	419,782	6,980,033
2027	1,632,198	259,470	1,891,668
2028	1,695,724	197,119	1,892,843
2029	1,292,000	422,006	1,714,006
2030-2034	2,627,000	48,114	2,675,114
2035-2039	640,000	40,025	680,025
Total	$ 20,745,477	$ 2,062,176	$ 22,807,653

Sales Tax Revenue Bonds

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	$ 3,025,000	$ 816,731	$ 3,841,731
2026	2,790,000	706,256	3,496,256
2027	2,640,000	618,506	3,258,506
2028	1,890,000	550,556	2,440,556
2029	1,950,000	492,956	2,442,956
2030-2034	10,665,000	1,537,706	12,202,706
2035-2039	4,735,000	144,897	4,879,897
Total	$ 27,695,000	$ 4,867,608	$ 32,562,608

Tax Notes

Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2025	$ 804,000	$ 472,395	$ 1,276,395
2026	810,000	462,252	1,272,252
2027	3,115,000	402,967	3,517,967
2028	3,225,000	292,651	3,517,651
2029	3,339,000	178,437	3,517,437
2030-2034	3,458,000	60,169	3,518,169
Total	$ 14,751,000	$ 1,868,871	$ 16,619,871

General Obligation Bonds and Certificates of Obligation

Fiscal Year Ending September 30,	Business-Type Activities Principal	Interest	Total
2025	$ 2,477,694	$ 1,156,152	$ 3,633,846
2026	3,060,748	1,067,244	4,127,992
2027	3,063,802	944,597	4,008,399
2028	3,183,276	824,800	4,008,076
2029	2,791,000	713,818	3,504,818
2030-2034	10,398,000	2,338,963	12,736,963
2035-2039	6,680,000	648,619	7,328,619
Total	$ 31,654,520	$ 7,694,193	$ 39,348,713

The City has entered into multiple arrangements for the purpose of financing the purchase of various equipment. The City's arrangements incur interest at 2.9% annually, and have 5 year terms expiring in 2026.

The annual debt service requirement to amortize the financed purchase liabilities outstanding at September 30, 2024, are as follows:

Financed Purchase Liabilities

Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2025	102,748	6,046	108,794
2026	105,728	3,066	108,794
Total	$ 208,476	$ 9,112	$ 217,588

The City has entered into multiple lease agreements as lessee for the right-to-use equipment over the term of the lease. The City is required to make periodic payments at its incremental borrowing rate or the interest rate stated or implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, *Leases*. At implementation of this statement, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term.

The City's lessee arrangements incur interest at rates of approximately 2.9% annually; all of which are accounted for within the City's governmental activities. All such arrangements range between 3 and 5 years in length.

The annual debt service requirement to amortize the other lease liabilities outstanding at September 30, 2024, are as follows:

Lease Liabilities

Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	$ 225,205	$ 19,085	$ 244,290
2026	235,485	13,073	248,558
2027	158,128	7,487	165,615
2028	125,282	3,719	129,001
2029	69,419	637	70,056
Total	$ 813,519	$ 44,001	$ 857,520

Subscription Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make annual or monthly payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	Interest Rate(s)	Liability at Commencement	SBITA Term in Months	Ending Balance
Governmental activities				
Software	2.240% - 3.257%	3,638,158	16 - 105	$ 1,817,561
Total governmental activities				$ 1,817,561
Business-type activities				
Software	3.591%	62,932	36	$ 34,052
Total business-type activities				$ 34,052

The future principal and interest SBITA payments as of fiscal year end are as follows:

Fiscal Year Ending	Principal	Interest	Total
2025	$ 825,871	$ 54,517	$ 880,388
2026	428,301	29,069	457,370
2027	174,856	16,620	191,476
2028	146,384	11,589	157,973
2029	146,457	7,217	153,674
2030 - 2031	95,692	2,869	98,561
Total governmental activities	$ 1,817,561	$ 121,881	$ 1,939,442

Fiscal Year Ending	Principal	Interest	Total
2025	$ 29,320	$ 54,517	$ 83,837
2026	4,732	2,869	7,601
Total business-type activities	$ 34,052	$ 57,386	$ 91,438

The value of the governmental activities subscription assets as of the end of the current fiscal year was $3,531,488 with accumulated amortization of $1,589,846. The value of the business-type activities subscription assets as of the end of the current fiscal year was $87,316 with accumulated amortization of $48,346.

Note 6. Transfers

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2024 were as follows:

	Transfers in:						
	General Fund	General Obligation Debt Service Fund	General Capital Projects Fund	Southlake Parks Development Corp - CPF	Nonmajor Governmental Funds	Vehicle and Equipment Replacement Fund	Total transfers
Transfers out:							
General Fund	$ -	$ -	$ 8,400,000	$ -	$ 100,000	$ 2,533,486	$11,033,486
Southlake Parks Development Corporation Fund	456,219	-	-	5,500,000	2,782,576	-	8,738,795
Community Enhancement and Development Corporation Fund	523,255	-	-	-	2,691,556	-	3,214,811
Nonmajor Governmental Funds	637,494	397,341	850,000	-	334,500	-	2,219,335
Water and Sewer Enterprise Fund	1,514,112	-	-	-	-	94,743	1,608,855
Total transfers	$ 3,131,080	$ 397,341	$ 9,250,000	$ 5,500,000	$ 5,908,632	$ 2,628,229	$26,815,282

During the year, interfund transfers were used for the following recurring items:

- To allocate indirect charges from the General Fund to the Southlake Parks Development Corporation, Water and Sewer Enterprise Fund, and other nonmajor governmental funds.
- To move revenues from the fund with collection authorization to the General Obligation Debt Service Fund and other nonmajor debt service funds as debt service principal and interest payments become due.
- To move funding for vehicle and equipment replacement to the internal service fund.
- To fund the annual subsidy for commercial vehicle enforcement.

Further, during the year ended September 30, 2024, the City made the following one-time transfers:

- Transfer of $6,700,000 from the General Fund to the General Capital Projects Fund for roadway projects.
- Transfer of $1,300,000 from the General Fund to the General Capital Projects Fund for infrastructure projects.
- Transfer of $400,000 from the General Fund to the General Capital Projects Fund for public art projects.
- Transfer of $5,500,000 from the Southlake Parks Development Corporation to the General Capital Projects Fund for parks projects.
- Transfer of $241,000 from the Community Enhancement and Development Corporation to nonmajor governmental funds for community enhancement projects.
- Transfer of $850,000 from nonmajor governmental funds to the General Capital Projects Fund for infrastructure projects.
- Transfer of $334,500 from nonmajor governmental funds to the General Capital Projects Fund for crime control district projects.

Note 7. Retirement Plan

A. Plan Description

The City participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service. A member is vested after 5 years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Employees covered by benefit terms.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	191
Inactive employees entitled to but not yet receiving benefits	318
Active employees	384
	893

C. Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 12.46% and 12.56% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were $4,151,701 and were greater than the required contributions by $46,094.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other public and private markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2022	$ 139,795,674	$ 119,979,054	$ 19,816,620
Changes for the year:			
Service Cost	5,197,252	-	5,197,252
Interest	9,435,242	-	9,435,242
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,315,727	-	1,315,727
Changes of assumptions	(467,923)	-	(467,923)
Contributions - employer	-	3,967,997	(3,967,997)
Contributions - employee	-	2,229,213	(2,229,213)
Net investment income	-	13,917,389	(13,917,389)
Benefit payments, including refunds of employee contributions	(5,225,884)	(5,225,884)	-
Administrative expense	-	(88,341)	88,341
Other changes	-	(617)	617
Net Changes	10,254,414	14,799,757	(4,545,343)
Balance at 12/31/2023	$ 150,050,088	$ 134,778,811	$ 15,271,277

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the city, calculated using the discount rate of 6.75%, as well as what the city's Net Pension Liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Net pension liability	$ 38,050,073	$ 15,271,277	$ (3,285,956)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2024, the City recognized pension expense of $4,424,375. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,712,991	$ -
Changes in actuarial assumptions	6,360	(353,516)
Difference between projected and actual investment earnings	3,124,554	-
Contributions subsequent to the measurement date	3,223,593	-
Total	$ 8,067,498	$ (353,516)

The $3,223,593 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended Sept. 30	
2025	$ 1,410,841
2026	1,516,680
2027	2,707,971
2028	(1,145,103)
Total	$ 4,490,389

Note 8. Other Postemployment Benefits (OPEB)

The City of Southlake provides for two other postemployment benefit (OPEB) plans; one provides for postemployment health insurance benefits through an agent-multiple employer defined benefit medical plan (Southlake Retiree Health Care Plan), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund, a single employer defined benefit OPEB plan. Both plans are described in detail below. Aggregate amounts for the two OPEB plans are as follows:

	Retiree Healthcare Plan	TMRS SDBF	Total
OPEB liability (asset)	$ (865,618)	$ 868,012	$ 2,394
Deferred outflows of resources	590,124	178,524	768,648
Deferred inflows of resources	617,261	354,339	971,600
OPEB expense	(121,105)	20,310	(100,795)

City of Southlake Retiree Health Care Plan

Plan Description
The City provides other postemployment healthcare benefits in accordance with City policy. Administration of the City of Southlake Retiree Healthcare Plan trust is through Public Agency Retirement Services (PARS) with an IRC Section 115 Irrevocable Exclusive Benefit Trust. Trustee for the plan is US Bank. Ultimate authority for investment decisions and actions necessary to maintain the City's participation in the program resides with the City Manager, appointed as Plan Administrator through a 2009 resolution of the City Council. Investment strategy is currently through the City's selection of PARS Moderately Conservative High Mark Plus.

A third-party administrator is utilized to provide claims administration and payment of claims. Insurance is purchased to provide specific stop loss and aggregate stop loss protection. A separate financial statement is not issued for the plan.

Benefits Provided
Regular full-time employees retiring from the City of Southlake have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan. The City contributes $125 per month towards the premium for retiree insurance coverage or $225 towards the premium for retirees and dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process.

Employees Covered by Benefit Terms
The following table provides a summary of the number of participants in the plan as of December 31, 2023:

Inactive employees currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	-
Active Employees	339
	345

Contributions
The City's contributions during the fiscal year ending September 30, 2024 were $209,480 and were greater than the required contributions by $167,637. The benefit payments were determined in a manner similar to how the benefit payments for the measurement period were developed. The City, through its budgeting process, determines the annual contributions to the Plan based on the actuarially determined contribution and the availability of funds.

Net OPEB Asset
The City's total OPEB asset is based on an actuarial valuation performed as of December 31, 2023.

Actuarial Assumptions
The total OPEB asset in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Individual Entry-Age Normal
Single Discount Rate	5.00% as of December 31, 2023
Inflation rate	2.50% per year
Salary Increases	3.60% to 11.85% including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2023 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct Municipal Retirees of Texas mortality tables were used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality
Healthcare Cost trend rates	Initial rate of 7.00% declining to ultimate rates of 4.25% after 15 years.
Participation Rates	30% of employees who retire at age 55 or older, or retire through disability retirement at any age, were assumed to maintain their health coverage after retirement.

Single Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 5.0%; the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 5.0%.

The City's has consistently funded the actuarially determined employer contribution, which is based on a closed amortization policy. As a result, the plan's fiduciary net position is projected to be sufficient to pay benefits for all future years.

Changes in the Net OPEB Asset

	Total OPEB (Asset) Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a) - (b)
Balance at 12/31/2022	$ 1,886,828	$ 2,339,116	$ (452,288)
Changes for the year:			
Service Cost	128,267	-	128,267
Interest	95,803	-	95,803
Difference between expected and actual experience	(16,206)	-	(16,206)
Changes of assumptions	(150,440)	-	(150,440)
Contributions - employer	-	209,818	(209,818)
Net investment income	-	269,081	(269,081)
Benefit payments, including refunds of employee contributions	(69,818)	(69,818)	-
Administrative expense	-	(8,145)	8,145
Net Changes	(12,394)	400,936	(413,330)
Balance at 12/31/2023	$ 1,874,434	$ 2,740,052	$ (865,618)

Consistent with the requirements of GASB Statements No. 74, the employer contributions include "amounts for OPEB as the benefits come due that will not be reimbursed to the employer using OPEB plan assets." The $69,818 in benefit payments was paid by the City using its own assets.

The plan fiduciary net position is 139% of the total OPEB liability as of the measurement date, resulting in the net OPEB asset.

The benefit payments during the measurement period were determined as follows:

City's explicit subsidy	$ 10,325
City's implicit subsidy (explicit subsidy * 5.762)	59,493
Total benefit payments	$ 69,818

The 5.762 implicit factor equals the ratio of the expected implicit subsidy to the expected explicit subsidy.

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate and Healthcare Cost Trend Rates
Regarding the sensitivity of the net OPEB asset to changes in the Single Discount Rate, the following presents the plan's net OPEB asset, calculated using a discount rate of 5.00%, as well as what the plan's net OPEB asset would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (4.00%)	Discount Rate (5.00%)	1% Increase in Discount Rate (6.00%)
Net OPEB asset	$ (703,914)	$ (865,618)	$ (1,010,870)

Regarding the sensitivity of the net OPEB asset to changes in the healthcare cost trend rates, the following presents the plan's net OPEB asset, calculated using the assumed trend rates as well as what the plan's net OPEB asset would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Rate Assumption	1% Increase
Net OPEB asset	$ (1,050,037)	$ (865,618)	$ (648,370)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
For the year ended December 31, 2023, the City recognized OPEB expense of $88,713. At September 30, 2024, the reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Economic Experiences	$ 11,203	$ (336,144)
Changes in Assumptions	241,831	(281,117)
Investment Experience	145,192	-
Contributions subsequent to the measurement date	191,898	-
	$ 590,124	$ (617,261)

The $191,898 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will increase the net OPEB asset during the year ending September 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30	
2025	$ 1,504
2026	21,161
2027	21,456
2028	(74,502)
2029	(74,839)
Thereafter	(113,815)
Total	$ (219,035)

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

The expected remaining service lives of all active employees in the plan were approximately 3,227 years. Additionally, the total plan membership (active employees and inactive employees) was 345. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 9.3548 years.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

Other Post Employment Benefits Supplemental Death Benefit Fund

Plan Description
Texas Municipal Retirement System ("TMRS") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The City has elected to participate in the SDBF for its active members including retirees. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded single-employer OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for City reporting.

Benefits Provided
The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of $7,500.

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	135
Inactive employees entitled to but not yet receiving benefits	77
Active Employees	384
	596

Contributions
The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.06% and 0.06% in calendar years 2023 and 2024, respectively. The City's contributions to the SDBF for the year ended September 30, 2024 were $19,864, and were equal to the required contributions.

Total OPEB Liability
The City's Total OPEB Liability (TOL) was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The Total OPEB Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount rate	3.77%
Retiree's share of benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements of GASB Statement No. 68.

Salary increases were based on a service-related table. Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Mortality rates for disabled retirees were based on 2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2023 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were first adopted in 2023 and first used in the December 31, 2023 actuarial valuation.

The discount rate used to measure the Total OPEB Liability was 3.77% and was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

Changes in Total OPEB Liability

	Total OPEB Liability
Balances as of 12/31/2022	$ 787,897
Changes for the year:	
Service cost	35,030
Interest	32,232
Difference between expected and actual experience	(12,044)
Changes of assumptions	44,005
Contributions - employer	(19,108)
Net Changes	80,115
Balances as of 12/31/2023	$ 868,012

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate
The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.77%) or 1 percentage-point higher (4.77%) than the current rate:

	1% Decrease (2.77%)	Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	$ 1,060,361	$ 868,012	$ 720,425

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2024, the City recognized OPEB expense of $39,418. At September 30, 2024, the City reported deferred outflows and inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experiences	$ -	$ (27,907)
Changes in actuarial assumptions	163,137	(326,432)
Contributions subsequent to the measurement date	15,387	-
	$ 178,524	$ (354,339)

The $15,387 reported as deferred outflows of resources related to the OPEB plan resulting from contributions subsequent to the measurement date will reduce the Total OPEB liability during the year ending September 30, 2024.

The other amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

Fiscal Year Ended Sept. 30		
2025	$	(36,661)
2026		(26,737)
2027		(50,955)
2028		(64,400)
2029		(13,126)
Thereafter		677
Total	$	(191,202)

Note 9. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust or under one or more annuity contracts described in Internal Revenue Code Section 401(f). Except as may otherwise be permitted or required by law, no assets or income of the plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the plan. In accordance with GASB 97, the plans as amended are not included in the City's financial statements.

Note 10. Risk Financing and Insurance

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 1990, the City joined the Texas Municipal League Workers Compensation Joint Insurance Fund ("the Pool") for risks related to employees. Premiums are paid to the Pool, which retains a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. The City continues to carry commercial insurance with Texas Municipal League provided by Mutual of Omaha for other risks including general liability, property, and errors and omissions. There were no significant reductions in coverage in the past year and there were no settlements exceeding insurance coverage in any of the past three years.

Note 11. Commitments and Contingencies

The City has entered into various contracts with the Trinity River Authority (TRA) and other cities. Terms of the agreements provide the City will pay an amount equal to its proportional share of maintenance and operations and debt service based upon volumes of wastewater transported, treated, or disposed of. The City's proportional share of future costs under these contracts is indeterminable and has not been recorded. Payments to the TRA under these contracts for the year ended September 30, 2024 were $5,780,289.

The City has authorized various contracts obligating future funds of the City as the contracted services are performed. Significant amounts unexpended under such contracts at year-end are reflected as reserves for authorized contracts in the applicable funds.

The City has certain claims and litigation pending with respect to matters arising in the normal course of operations. City management is of the opinion that the settlement of these matters will not have a material adverse impact on the City's financial statements.

Note 12. Tax Abatement

The City enters into economic development agreements authorized under Chapter 380 of the Texas Local Government Code. These agreements are planning tools designed to stimulate economic activity, redevelopment, community improvement, and provide a return on investment for the community. These programs abate or rebate property and/or sales taxes and may include other incentive payments such as fee reductions or construction cost reimbursements. Economic development agreements are considered on a case-by-case basis by the City Council and generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

Chapter 380 of the Texas Local Government Code allows the City to provide grants for the purpose of promoting local economic development. These grants are based on a percentage of property and/or sales tax received by the City. For the fiscal year ending September 30, 2024, the City rebated $242,493 in sales taxes, $122,770 in property taxes, and $636,417 in hotel occupancy taxes. The City also refunded $92,782 in developer construction cost reimbursements for the fiscal year ending September 30, 2024.

Note 13. Change Within the Reporting Entity

For the fiscal year ending September 30, 2024, the City's Southlake Parks Development Corporation Capital Project (SPDCCP) Fund became a major fund after previously being reported as nonmajor. This represents a change within the reporting entity, affecting the beginning fund balance of the SPDCCP major fund and the nonmajor governmental funds. See below for the changes to beginning fund balances.

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances	
	Funds	
	Nonmajor Governmental Funds	Southlake Parks Development Corporation Capital Projects Fund
9/30/2023, as previously reported	$ 50,727,020	$ -
Change within reporting entity (nonmajor fund to major fund)	(20,845,367)	20,845,367
10/1/2023, as restated	$ 29,881,653	$ 20,845,367

Required Supplementary Information

Budgetary Comparison Schedules

City of Southlake, Texas **Exhibit A-1**

General Fund

Budgetary Comparison Schedule (GAAP Basis)

For the Fiscal Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties and interest	$ 28,140,607	$ 27,340,607	$ 27,190,295	$ (150,312)
Franchise taxes	2,973,106	3,348,860	3,445,059	96,199
Municipal sales and mixed beverage tax	19,908,000	21,545,284	21,278,207	(267,077)
License, permits and fees	1,499,100	1,395,200	1,924,639	529,439
Charges for services	2,126,623	1,958,915	2,373,061	414,146
Fines and forfeitures	798,500	798,000	860,634	62,634
Intergovernmental revenue	72,000	345,000	433,490	88,490
Investment income (losses)	1,243,500	1,987,500	2,747,448	759,948
Contributions	5,000	30,000	31,505	1,505
Miscellaneous	185,000	185,000	134,402	(50,598)
Total revenues	56,951,436	58,934,366	60,418,740	1,484,374
EXPENDITURES				
General government				
City secretary/mayor	667,578	662,578	618,645	43,933
City manager's office	1,202,778	1,245,953	1,226,412	19,541
Human resources	1,080,100	980,739	905,101	75,638
Support services	4,947,294	5,434,510	5,762,333	(327,823)
Economic development	397,159	515,801	441,221	74,580
Finance	2,173,778	2,208,399	2,117,153	91,246
Municipal court	888,133	804,413	790,601	13,812
Teen court	176,673	176,673	164,960	11,713
Information technology	4,974,504	4,965,504	3,479,999	1,485,505
Public safety				
Police services	8,984,427	9,140,509	8,904,349	236,160
Fire services	12,059,313	12,701,373	12,192,174	509,199
Public safety support	1,867,695	1,867,695	1,702,592	165,103
Public works				
Public works administration	3,048,741	2,999,771	2,775,504	224,267
Streets and drainage	1,436,397	1,487,670	1,479,051	8,619
Planning	1,331,690	1,299,854	1,221,947	77,907
Building inspection	1,374,054	1,351,020	1,266,686	84,334
Culture and recreation				
Community services	1,775,911	1,731,299	1,649,823	81,476
Parks and recreation	4,685,666	4,588,979	4,407,542	181,437
Library services	1,354,461	1,323,617	1,224,652	98,965
Capital Outlay	1,507,425	1,507,425	1,685,400	(177,975)
Debt Service				
Principal	-	-	1,003,961	(1,003,961)
Interest	-	-	53,272	(53,272)
Total expenditures	55,933,777	56,993,782	55,073,378	1,920,404
Excess of revenues over expenditures	1,017,659	1,940,584	5,345,362	3,404,778
OTHER FINANCING SOURCES (USES)				
Issuance of financed purchases	-	-	752,937	752,937
Issuance of subscriptions	-	-	333,898	333,898
Sale of capital assets	-	-	43,351	43,351
Transfers from other funds	3,089,065	3,131,080	3,131,080	-
Transfers to other funds	(10,000,000)	(11,000,000)	(11,033,486)	(33,486)
Total other financing sources (uses)	(6,910,935)	(7,868,920)	(6,772,220)	1,096,700
Net change in fund balance	(5,893,276)	(5,928,336)	(1,426,858)	4,501,478
Fund balances, beginning of year	48,969,465	48,969,465	48,969,465	-
FUND BALANCES, END OF YEAR	$ 43,076,189	$ 43,041,129	$ 47,542,607	$ 4,501,478

The Notes to the Budgetary Comparison Schedules are an integral part of this statement.

City of Southlake, Texas **Exhibit A-2**

Southlake Parks Development Corporation Operating Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Fiscal Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Municipal sales tax	$ 9,898,000	$ 10,747,650	$ 10,661,725	$ (85,925)
Charges for services	153,824	237,824	255,389	17,565
Investment income (losses)	152,000	420,000	599,793	179,793
Total revenues	10,203,824	11,405,474	11,516,907	111,433
EXPENDITURES				
Community services	2,357,397	2,352,501	2,337,909	14,592
Capital outlay	472,500	472,500	72,236	400,264
Total expenditures	2,829,897	2,825,001	2,410,145	414,856
Excess of revenues over expenditures	7,373,927	8,580,473	9,106,762	526,289
OTHER FINANCING USES				
Transfers to other funds	(8,690,729)	(8,738,795)	(8,738,795)	-
Net change in fund balance	(1,316,802)	(158,322)	367,967	526,289
Fund balances, beginning of year,	14,248,826	14,248,826	14,248,826	-
FUND BALANCE, END OF YEAR	$ 12,932,024	$ 14,090,504	$ 14,616,793	$ 526,289

The Notes to the Budgetary Comparison Schedules are an integral part of this statement.

City of Southlake, Texas **Exhibit A-3**

Community Enhancement Development Corporation Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Fiscal Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 7,423,500	$ 7,986,875	$ 7,897,574	$ (89,301)
Charges for services	4,591,040	4,489,091	4,541,874	52,783
Investment income (losses)	265,000	770,000	1,111,659	341,659
Contributions	5,247	5,400	14,840	9,440
Miscellaneous	-	-	1,104	1,104
Total revenues	12,284,787	13,251,366	13,567,051	315,685
EXPENDITURES:				
Community services	7,217,921	7,231,393	6,181,162	1,050,231
Capital outlay	1,408,839	1,408,839	-	1,408,839
Debt Service				
Principal	-	-	13,016	(13,016)
Interest	-	-	1,073	(1,073)
Total expenditures	8,626,760	8,640,232	6,195,251	2,444,981
Excess of revenues over expenditures	3,658,027	4,611,134	7,371,800	2,760,666
OTHER FINANCING USES:				
Transfers to other funds	(3,180,948)	(3,214,811)	(3,214,811)	-
Total other financing uses	(3,180,948)	(3,214,811)	(3,214,811)	-
Net changes in fund balance	477,079	1,396,323	4,156,989	2,760,666
Fund balances, beginning of year	20,771,999	20,771,999	20,771,999	-
FUND BALANCES, END OF YEAR	$ 21,249,078	$ 22,168,322	$ 24,928,988	$ 2,760,666

The Notes to the Budgetary Comparison Schedules are an integral part of this statement.

Budgetary Data

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund, the Tax Increment Financing District, Community Enhancement Development Corporation, Crime Control District, Parks Dedication, Hotel Occupancy, Storm Water Utility, Red Light Camera, Parks and Recreation, Court Security, Court Technology, Library, Commercial Vehicle Enforcement, and Southlake Parks Development Corporation Special Revenue Funds and all Debt Service Funds on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City does adopt an annual budget for those funds for managerial control.

5. During the fiscal year, the City Council may transfer funds allocated to a department to another department or re-estimate revenues or expenditures. The City Manager may transfer budgeted funds within a department. Expenditures should not exceed appropriations at the department level.

6. Budgetary data for the Police, Municipal Jury, Oil and Gas, Truancy Prevention, Disaster Recovery, and all Capital Projects Funds are not presented, as such funds are budgeted over the life of the respective project, and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

7. General Fund reported expenditures in excess of appropriations for the year ended September 30, 2024 as follows:

    - Support services ($327,823) – A building remodel project was budgeted as capital outlay. However, expenditures did not meet the capitalization criteria, so they were reported as operating expenditures.

    - Capital outlay ($177,975) - Due to GASB 87 and 96, not a true cash flow expenditure over budget.

    - Debt service: Principal ($1,003,961) - Due to GASB 87 and GASB 96, not a true cash flow expenditure over budget.

    - Debt service: Interest ($53,272) - Due to GASB 87 and GASB 96, not a true cash flow expenditure over budget.

Required Pension and OPEB Schedules

City of Southlake, Texas

Schedule of Changes in Net Pension Liability
and Related Ratios
Texas Municipal Retirement System
Last Ten Measurement Years

	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021
Total pension liability:			
Service cost	$ 5,197,252	$ 4,838,653	$ 4,328,436
Interest	9,435,242	8,750,754	8,133,486
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,315,727	1,059,885	426,450
Change in assumptions	(467,923)	-	-
Benefit payments, including refunds of employee contributions	(5,225,884)	(4,150,172)	(3,847,375)
Net change in total pension liability	10,254,414	10,499,120	9,040,997
Total pension liability - beginning	139,795,674	129,296,554	120,255,557
Total pension liability - ending (a)	150,050,088	139,795,674	129,296,554
Plan fiduciary net position:			
Contributions - employer	3,967,997	3,714,760	3,348,713
Contributions - employee	2,229,213	2,070,328	1,871,403
Net investment income	13,917,389	(9,335,205)	14,591,844
Benefit payments, including refunds of employee contributions	(5,225,884)	(4,150,172)	(3,847,375)
Administrative expense	(88,341)	(80,641)	(67,416)
Other	(617)	96,229	462
Net change in plan fiduciary net position	14,799,757	(7,684,701)	15,897,631
Plan fiduciary net position - beginning	119,979,054	127,663,755	111,766,124
Plan fiduciary net position - ending (b)	134,778,811	119,979,054	127,663,755
Net pension liability - ending (a) - (b)	$ 15,271,277	$ 19,816,620	$ 1,632,799
Plan fiduciary net position as a percentage of total pension liability	89.82%	85.82%	98.74%
Covered payroll	$ 31,845,904	$ 29,576,118	$ 26,441,262
Net pension liability as a percentage of covered payroll	47.95%	67.00%	6.18%

Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
$ 4,289,132	$ 4,190,311	$ 3,919,389	$ 3,579,734	$ 3,482,384	$ 3,222,126	$ 2,906,949
7,554,362	6,945,183	6,379,342	5,865,601	5,393,997	5,090,308	4,779,462
-	-	-	-	-	-	-
39,572	250,630	537,249	213,937	179,076	102,364	(1,602,645)
-	324,280	-	-	-	760,500	-
(2,798,825)	(2,671,062)	(2,506,166)	(1,930,078)	(2,304,726)	(1,921,361)	(1,680,030)
9,084,241	9,039,342	8,329,814	7,729,194	6,750,731	7,253,937	4,403,736
111,171,316	102,131,974	93,802,160	86,072,966	79,322,235	72,068,298	67,664,562
120,255,557	111,171,316	102,131,974	93,802,160	86,072,966	79,322,235	72,068,298
3,322,051	3,212,690	2,992,110	2,682,629	2,595,919	2,425,455	2,283,310
1,829,612	1,773,541	1,673,450	1,520,518	1,480,965	1,409,008	1,340,870
7,731,319	13,337,326	(2,598,044)	10,284,603	4,588,256	97,252	3,463,018
(2,798,825)	(2,671,062)	(2,506,166)	(1,930,078)	(2,304,726)	(1,921,361)	(1,680,030)
(49,969)	(75,264)	(50,164)	(53,258)	(51,781)	(59,224)	(36,150)
(1,950)	(2,262)	(2,623)	(2,699)	(2,790)	(2,925)	(2,972)
10,032,238	15,574,969	(491,437)	12,501,715	6,305,843	1,948,205	5,368,046
101,733,886	86,158,917	86,650,354	74,148,639	67,842,796	65,894,591	60,526,545
111,766,124	101,733,886	86,158,917	86,650,354	74,148,639	67,842,796	65,894,591
$ 8,489,433	$ 9,437,430	$ 15,973,057	$ 7,151,806	$ 11,924,327	$ 11,479,439	$ 6,173,707
92.94%	91.51%	84.36%	92.38%	86.15%	85.53%	91.43%
$ 26,137,309	$ 25,334,408	$ 23,710,761	$ 21,721,689	$ 21,156,637	$ 20,113,150	$ 19,154,225
32.48%	37.25%	67.37%	32.92%	56.36%	57.07%	32.23%

City of Southlake, Texas
Schedule of Pension Contributions
Texas Municipal Retirement System
Last Ten Fiscal Years

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021
Actuarially determined contribution	$ 4,105,607	$ 3,792,064	$ 3,547,858	$ 3,244,987
Contribution in relation of the actuarially determined contribution	4,151,701	3,879,580	3,610,307	3,297,682
Contribution deficiency (excess)	$ (46,094)	$ (87,516)	$ (62,449)	$ (52,695)
Covered payroll	$ 33,106,641	$ 31,070,964	$ 28,738,669	$ 26,156,402
Contributions as a percentage of covered payroll	12.54%	12.49%	12.56%	12.61%

Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018	Fiscal Year 2017	Fiscal Year 2016	Fiscal Year 2015
$ 3,131,667	$ 3,101,504	$ 2,829,615	$ 2,580,380	$ 2,508,791	$ 2,439,627
3,201,451	3,182,749	2,894,219	2,654,303	2,632,209	2,439,627
$ (69,784)	$ (81,245)	$ (64,604)	$ (73,923)	$ (123,418)	$ -
$ 25,202,798	$ 25,156,408	$ 23,132,172	$ 21,525,552	$ 21,551,426	$ 20,034,712
12.70%	12.65%	12.51%	12.33%	12.21%	12.18%

City of Southlake, Texas

Schedule of Changes in Net OPEB Liability (Asset)
and Related Ratios
Southlake Net OPEB Liability (Asset) for Health Insurance
Last Seven Measurement Years

	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021
Total OPEB liability (asset):			
Service cost	$ 128,267	$ 120,612	$ 80,561
Interest	95,803	92,533	97,367
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(16,206)	(163,080)	6,855
Change in assumptions	(150,440)	89,089	(217,142)
Benefit payments, including refunds of employee contributions	(69,818)	(85,370)	(83,319)
Net change in total OPEB liability (asset)	(12,394)	53,784	(115,678)
Total OPEB liability (asset) - beginning	1,886,828	1,833,044	1,948,722
Total OPEB liability (asset) - ending (a)	1,874,434	1,886,828	1,833,044
Plan fiduciary net position:			
Contributions - employer	209,818	225,370	323,319
Net investment income	269,081	(343,355)	117,346
Benefit payments, including refunds of employee contributions	(69,818)	(85,370)	(83,319)
Administrative expense	(8,145)	(7,980)	(7,918)
Net change in plan fiduciary net position	400,936	(211,335)	349,428
Plan fiduciary net position - beginning	2,339,116	2,550,451	2,201,023
Plan fiduciary net position - ending (b)	2,740,052	2,339,116	2,550,451
Net OPEB liability (asset)- ending (a) - (b)	$ (865,618)	$ (452,288)	$ (717,407)
Plan fiduciary net position as a percentage of total OPEB liability (asset)	146.18%	123.97%	139.14%
Covered payroll	$ 32,671,598	$ 30,420,420	$ 27,287,214
Net OPEB liability (asset) as a percentage of covered payroll	-2.65%	-1.49%	-2.63%

Note: Only seven years of data is presented in accordance with GASB #75. Additional years' information will be displayed as it becomes available.

Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
$ 73,365	$ 66,950	$ 53,239	$ 55,061
114,848	108,953	87,706	84,496
-	-	-	-
(337,496)	(1,262)	16,549	(3,965)
87,222	8,001	297,855	-
(81,362)	(75,967)	(75,843)	(76,779)
(143,423)	106,675	379,506	58,813
2,092,145	1,985,470	1,605,964	1,547,151
1,948,722	2,092,145	1,985,470	1,605,964
321,362	165,967	172,843	116,779
201,804	207,145	(38,598)	121,500
(81,362)	(75,967)	(75,843)	(76,779)
(6,098)	(5,348)	(4,389)	(3,483)
435,706	291,797	54,013	158,017
1,765,317	1,473,520	1,419,507	1,261,490
2,201,023	1,765,317	1,473,520	1,419,507
$ (252,301)	$ 326,828	$ 511,950	$ 186,457
112.95%	84.38%	74.22%	88.39%
$ 26,994,043	$ 26,143,074	$ 22,468,011	$ 20,607,676
-0.93%	1.25%	2.28%	0.90%

City of Southlake, Texas
Schedule of Contributions
Southlake Net OPEB Liability (Asset) for Health Insurance
Last Seven Fiscal Years

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Actuarially determined contribution	$ 41,843	$ 39,085	$ 144,728
Contribution in relation of the actuarially determined contribution	209,480	211,408	229,678
Contribution deficiency (excess)	$ (167,637)	$ (172,323)	$ (84,950)
Covered payroll	$ 33,925,759	$ 31,894,347	$ 29,572,038
Contributions as a percentage of covered payroll	0.62%	0.66%	0.78%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
$ 142,458	$ 140,254	$ 89,240	$ 89,240
332,082	301,318	177,639	168,167
$ (189,624)	$ (161,064)	$ (88,399)	$ (78,927)
$ 25,882,453	$ 24,988,882	$ 24,537,271	$ 23,132,172
1.28%	1.21%	0.72%	0.73%

City of Southlake, Texas
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Texas Municipal Retirement System – Supplemental Death Benefits
Last Seven Measurement Years

	Measurement 2023	Measurement 2022	Measurement 2021
Total OPEB liability:			
Service cost	$ 35,030	$ 79,856	$ 66,103
Interest	32,232	21,624	21,646
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(12,044)	26,255	(26,578)
Change in assumptions	44,005	(467,745)	38,907
Contributions - employer	(19,108)	(14,788)	(13,221)
Net change in total pension liability	80,115	(354,798)	86,857
Total OPEB liability - beginning	787,897	1,142,695	1,055,838
Total OPEB liability - ending (a)	$ 868,012	$ 787,897	$ 1,142,695
Covered employee payroll	$ 31,845,904	$ 29,576,118	26,441,273
Net pension liability as a percentage of covered employee payroll	2.73%	2.66%	4.32%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Measurement 2020	Measurement 2019	Measurement 2018	Measurement 2017
$ 52,275	$ 38,002	$ 42,679	$ 34,755
24,403	25,388	23,155	21,919
-	-	-	-
(37,301)	(13,112)	(18,599)	-
156,506	149,523	(56,421)	62,407
(2,614)	(5,067)	(2,371)	(4,344)
193,269	194,734	(11,557)	114,737
862,569	667,835	679,392	$ 564,655
$ 1,055,838	$ 862,569	$ 667,835	$ 679,392
26,137,309	25,334,408	23,710,761	$ 21,721,689
4.04%	3.40%	2.82%	3.13%

City of Southlake, Texas
Schedule of OPEB Contributions
Texas Municipal Retirement System – Supplemental Death Benefits
Last Seven Fiscal Years

	Fiscal Year 2024	Fiscal Year 2023	Fiscal Year 2022
Actuarially determined contribution	$ 19,864	$ 15,327	$ 21,326
Contribution in relation of the actuarially determined contribution	19,864	15,327	21,326
Contribution deficiency (excess)	$ -	$ -	$ -
Covered employee payroll	$ 33,106,641	$ 31,070,964	$ 28,738,669
Contributions as a percentage of covered employee payroll	0.06%	0.05%	0.07%

Note: The schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Note: There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the plan.

Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
$ 10,272	$ 3,206	$ 3,965	$ 2,846
10,272	3,206	3,965	2,846
$ -	$ -	$ -	$ -
$ 26,156,403	$ 25,202,798	$ 25,156,408	$ 23,132,172
0.04%	0.01%	0.02%	0.01%

City of Southlake, Texas **Exhibit A-10**

Condition Rating of Street System
September 30, 2024

	2024	2023	2022	City Required Minimum
International Roughness Index (IRI)	79.7	73.6	69.8	
Pavement Condition Index (PCI)	80.0	81.2	78.6	
Pavement Quality Index (PQI)	81.2	81.8	79.3	78.0

	Needed	Actual	Difference
2020	$ 1,100,000	$ 1,100,285	$ 285
2021	1,200,000	1,336,244	136,244
2022	1,900,000	1,706,384	(193,616)
2023	1,900,000	1,982,896	82,896
2024	2,500,000	911,077	(1,588,923)

The City hired a consultant to implement a pavement management system (PMS) to cover all public streets within the City. The condition of street pavement is measured using the Standard for Roads Pavement Condition Index (SRPCI) as developed by the American Society for Testing and Materials (ASTM). The SRPCI is based on a weighted average of thirteen defects found in pavement surfaces. The consultant conducted a pavement condition survey on all City-owned streets. This consisted of a roughness survey and a surface distress survey, along with a deflection survey of selected roads. A present status analysis was conducted using data obtained from pavement condition survey to determine the International Roughness Index (IRI) and the Pavement Condition Index (PCI). These indices were then combined into the composite Pavement Quality Index (PQI). Values of PQI can range from 0 to 100. Typical values for a newly constructed pavement range from 95.0 to 100.0. The PQI level at which a pavement becomes in need of rehabilitation is typically in the 50.0 to 70.0 range. It was the City's policy to maintain a PQI of 73.0 until 2012 when the City increased the minimum PQI to 78.0. Needed maintenance is calculated based upon inspections and the PQI.

In accordance with GASB Statement No. 34, the City is required to report at least three complete condition assessments at transition using the modified approach. The condition assessments were completed by the City and concluded that the eligible infrastructure assets are being preserved at or above the condition level established by the City. Half of the City's public streets will be assessed annually to ensure all public streets are assessed every two years.

The City calculates needed maintenance of its street system annually. However, the scheduling of these road projects often crosses fiscal years. Therefore, actual maintenance may be less than the calculated needed maintenance in one fiscal year and greater than the calculated needed maintenance in the subsequent fiscal year.

Combining and Individual Fund Financial Statements and Schedules

Major Governmental Funds

General Obligation Debt Service Fund

The General Obligation Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bonds and interest from governmental resources.

City of Southlake, Texas **Exhibit B-1**

General Obligation Debt Service Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties, and interest	$ 5,862,343	$ 5,697,043	$ 5,690,222	$ (6,821)
Investment income (losses)	95,000	130,000	168,430	38,430
Total revenues	5,957,343	5,827,043	5,858,652	31,609
EXPENDITURES				
Debt Service				
Principal	5,656,358	5,771,358	5,771,358	-
Interest	1,112,781	1,221,556	1,209,680	11,876
Total expenditures	6,769,139	6,992,914	6,981,038	11,876
Excess (deficiency) of revenues over (under) expenditures	(811,796)	(1,165,871)	(1,122,386)	43,485
OTHER FINANCING SOURCES:				
Transfers from other funds	397,341	397,341	397,341	-
Total other financing sources	397,341	397,341	397,341	-
Net change in fund balance	(414,455)	(768,530)	(725,045)	43,485
Fund balance, beginning of year	2,993,263	2,993,263	2,993,263	-
FUND BALANCE, END OF YEAR	$ 2,578,808	$ 2,224,733	$ 2,268,218	$ 43,485

Special Revenue Funds

The Special Revenue Funds are used to account for revenue sources that are legally restricted or committed to expenditures for specified purposes.

Police Fund – Established to account for resources required to be utilized by the police department.

Parks and Recreation Fund – Established to account for resources restricted for use by the community services department.

Parks Dedication Fund – Established to account for resources restricted for use by the community services department.

Crime Control District Fund – Established to account for the operations of the Crime Control District, which was established for the financing and development of crime control within the City. The Crime Control Fund is funded primarily through the municipal sales taxes.

Hotel Occupancy Fund – Established to account for all revenues and expenditures relating to the hotel occupancy tax received by the City.

Storm Water Utility Fund – Established to account for fees collected for the purpose of improving, upgrading and maintaining the City's drainage system. The City is mandated by the Texas Commission on Environmental Quality (TCEQ) to develop and maintain a Storm Water Management Plan in order to address capacity and quality issues and protect its residents and their properties from possible flooding and pollution problems. Drainage fees are collected to fund the activities required to comply with TCEQ regulations.

Court Security Fund – Established to account for municipal court fees assessed to provide court security.

Court Technology Fund – Established to account for municipal court fees assessed to provide court technology.

Municipal Jury Fund – Established to account for municipal court fees assessed to provide jury services.

Library Fund – Established to account for resources donated for use by library services.

Red Light Camera Fund – Established to account for fees assessed for red light violations captured through the City's camera monitoring system.

Oil and Gas Fund – Established to account for permits fees and the related expenditures for oil and gas drilling.

Commercial Vehicle Enforcement Fund – Established to account for the fees assessed for commercial vehicle violations.

Truancy Prevention – Established to account for municipal court fees assessed to provide for juvenile case manager services.

Tax Increment Financing District – Established to account for the general operations of the TIF, which was formed to finance and make public improvements. The TIF is funded primarily through the assessment of ad valorem taxes.

Disaster Recovery – Established to account for grant awards to provide disaster relief.

Debt Service Funds

The Debt Service Funds are utilized to account for the accumulation of financial resources for, and the payment of, long-term debt principal, interest, and related costs arising from the issuance of bonds.

Southlake Parks Development Corporation Debt Service Fund – Established to accumulate resources to finance the debt service of debt issues of the Southlake Parks Development Corporation.

Community Enhancement and Development Corporation Debt Service Fund – Established to accumulate resources to finance the debt service of debt issues for the community entertainment and recreation center.

Capital Projects Funds

The Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of specified capital improvements (other than those financed by proprietary funds).

Community Enhancement and Development Corporation Capital Projects Fund – Established to fund the acquisition and construction of a community entertainment and recreation center as approved by the CEDC board of directors. The fund has been financed through the issuance of sales tax revenue bonds.

Crime Control District Capital Projects Fund – Established to account for the acquisition and construction of capital assets as approved by the District's board of directors. The fund has been funded primarily through the issuance of general obligation debt.

City of Southlake, Texas
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2024

	SPECIAL REVENUE			
	Police	Parks and Recreation	Parks Dedication	Crime Control District
ASSETS				
Cash and cash equivalents	$ 62,738	$ 230,744	$ 2,029,696	$ 5,061,386
Receivables, net of allowances for uncollectibles:				
Taxes	-	-	-	415,282
Interest	65	241	2,118	5,230
Other	-	-	-	27,778
TOTAL ASSETS	$ 62,803	$ 230,985	$ 2,031,814	$ 5,509,676
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 7,984	$ -	$ -	$ 1,856
Accrued liabilities	-	-	-	109,547
Retainage payable	-	-	-	-
Total liabilities	7,984	-	-	111,403
DEFERRED INFLOWS OF RESOURCES				
Unavailable resources	-	-	-	22,877
FUND BALANCES				
Restricted	54,819	230,985	-	5,375,396
Committed	-	-	2,031,814	-
Total fund balances	54,819	230,985	2,031,814	5,375,396
TOTAL LIABILITIES AND FUND BALANCES	$ 62,803	$ 230,985	$ 2,031,814	$ 5,509,676

SPECIAL REVENUE

Hotel Occupancy	Storm Water Utility	Court Security	Court Technology	Municipal Jury	Library	Red Light Camera
$ 4,619,972	$ 1,944,678	$ 454,888	$ 324,405	$ 2,540	$ 21,381	$ 172,666
255,881	-	-	-	-	-	-
4,846	2,033	478	338	3	22	180
1,000	223,839	-	-	-	-	-
$ 4,881,699	$ 2,170,550	$ 455,366	$ 324,743	$ 2,543	$ 21,403	$ 172,846
646,498	$ 6,435	$ -	$ 15,605	$ -	$ -	$ 45,000
11,084	13,585	1,443	-	-	-	-
-	-	-	-	-	-	-
657,582	20,020	1,443	15,605	-	-	45,000
1,000	-	-	-	-	-	-
4,223,117	2,150,530	453,923	309,138	2,543	21,403	127,846
-	-	-	-	-	-	-
4,223,117	2,150,530	453,923	309,138	2,543	21,403	127,846
$ 4,881,699	$ 2,170,550	$ 455,366	$ 324,743	$ 2,543	$ 21,403	$ 172,846

City of Southlake, Texas

Nonmajor Governmental Funds
Combining Balance Sheet - Continued
September 30, 2024

	SPECIAL REVENUE				
	Oil and Gas	Commercial Vehicle Enforcement	Truancy Prevention	Tax Increment Financing District	Disaster Recovery
ASSETS					
Cash and cash equivalents	$ 60,309	$ 161,795	$ 154,729	$ 11,578,974	$ -
Receivables, net of allowances for uncollectibles:					
Taxes	-	-	-	-	-
Interest	63	163	161	12,073	-
Other	-	-	-	8,607	-
TOTAL ASSETS	$ 60,372	$ 161,958	$ 154,890	$ 11,599,654	$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ 8,121	$ -
Accrued liabilities	-	7,423	-	17,917	-
Retainage payable	-	-	-	-	-
Total liabilities	-	7,423	-	26,038	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources	-	-	-	8,607	-
FUND BALANCES					
Restricted	-	154,535	154,890	11,565,009	-
Committed	60,372	-	-	-	-
TOTAL FUND BALANCES	60,372	154,535	154,890	11,565,009	-
TOTAL LIABILITIES AND FUND BALANCES	$ 60,372	$ 161,958	$ 154,890	$ 11,599,654	$ -

DEBT SERVICE		CAPITAL PROJECTS			
Southlake Parks Development Corporation	Community Enhancement Development Corporation	*Formerly Non-Major* Southlake Parks Development Corporation	Community Enhancement Development Corporation	Crime Control District	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
$ 2,122,341	$ 658,608	$ -	$ 2,406,505	$ 2,106,339	$ 34,174,694
-	-	-	-	-	671,163
2,214	687	-	2,511	2,200	35,626
-	-	-	-	-	261,224
$ 2,124,555	$ 659,295	$ -	$ 2,409,016	$ 2,108,539	$ 35,142,707
$ -	$ -	$ -	$ -	$ 449,899	$ 1,181,398
-	-	-	-	-	160,999
-	-	-	-	48,035	48,035
-	-	-	-	497,934	1,390,432
-	-	-	-	-	32,484
2,124,555	659,295	-	2,409,016	1,610,605	31,627,605
-	-	-	-	-	2,092,186
2,124,555	659,295	-	2,409,016	1,610,605	33,719,791
$ 2,124,555	$ 659,295	$ -	$ 2,409,016	$ 2,108,539	$ 35,142,707

City of Southlake, Texas

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2024

	SPECIAL REVENUE			
	Police	Parks and Recreation	Parks Dedication	Crime Control District
REVENUES				
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ -
Municipal sales tax	-	-	-	2,600,691
Licenses, permits and fees	-	-	342,310	-
Fines and forfeitures	590	-	-	-
Charges for services	-	-	-	-
Grants	-	-	-	-
Investment income (losses)	3,427	11,493	88,135	250,002
Contributions	-	34,310	-	-
Miscellaneous	4,327	-	-	-
Total revenues	8,344	45,803	430,445	2,850,693
EXPENDITURES				
Current:				
General government				
Support services	-	-	-	-
Municipal court	-	-	-	-
Public safety				
Police services	37,809	-	-	2,200,980
Fire services	-	-	-	-
Public works				
Streets and drainage	-	-	-	-
Cultural and recreation				
Community services	-	31,327	-	-
Parks and recreation	-	-	-	-
Library services	-	-	-	-
Promotion of culture and tourism	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	-	32,547
Debt service:				
Principal retirement	4,300	-	-	157,600
Interest and fiscal charges	-	-	-	14,562
Total expenditures	42,109	31,327	-	2,405,689
Excess (deficiency) of revenues over (under) expenditures	(33,765)	14,476	430,445	445,004
OTHER FINANCING SOURCES (USES)				
Issuance of subscriptions	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	(445,900)
Total other financing sources (uses)	-	-	-	(445,900)
Net change in fund balances	(33,765)	14,476	430,445	(896)
Fund balances, beginning of year, as previously presented	88,584	216,509	1,601,369	5,376,292
Change within financial reporting entity (nonmajor to major)	-	-	-	-
Fund balances, as restated	88,584	216,509	1,601,369	5,376,292
FUND BALANCES, END OF YEAR	$ 54,819	$ 230,985	$ 2,031,814	$ 5,375,396

SPECIAL REVENUE						
Hotel Occupancy	Storm Water Utility	Court Security	Court Technology	Municipal Jury	Library	Red Light Camera
$ -	$ -	$ -	$ -	$ -	$ -	$ -
2,391,969	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	31,389	25,769	635	-	-
-	1,613,076	-	-	-	-	-
-	-	-	-	-	-	-
185,121	92,412	22,827	15,337	2	1,039	10,447
-	-	-	-	-	8,719	-
11,919	-	-	-	-	-	-
2,589,009	1,705,488	54,216	41,106	637	9,758	10,447
-	-	-	-	-	-	-
-	-	48,844	22,364	-	-	-
-	-	-	-	-	-	122,099
-	-	-	-	-	-	-
-	602,947	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	7,889	-
871,217	-	-	-	-	-	-
-	-	-	-	-	-	-
43,458	-	-	-	-	-	-
19,935	-	2,306	-	-	-	-
1,053	-	-	-	-	-	-
935,663	602,947	51,150	22,364	-	7,889	122,099
1,653,346	1,102,541	3,066	18,742	637	1,869	(111,652)
43,458	-	-	-	-	-	-
-	-	-	-	-	-	-
(658,850)	(1,114,585)	-	-	-	-	-
(615,392)	(1,114,585)	-	-	-	-	-
1,037,954	(12,044)	3,066	18,742	637	1,869	(111,652)
3,185,163	2,162,574	450,857	290,396	1,906	19,534	239,498
-	-	-	-	-	-	-
3,185,163	2,162,574	450,857	290,396	1,906	19,534	239,498
$ 4,223,117	$ 2,150,530	$ 453,923	$ 309,138	$ 2,543	$ 21,403	$ 127,846

City of Southlake, Texas

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures *and Changes in Fund Balances - Continued*

For the Year Ended September 30, 2024

	SPECIAL REVENUE				
	Oil and Gas	Commercial Vehicle Enforcement	Truancy Prevention	Tax Increment Financing District	Disaster Recovery
REVENUES					
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ 10,470,200	$ -
Municipal sales tax	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-
Fines and forfeitures	-	11,521	31,603	-	-
Charges for services	-	-	-	-	-
Grants	-	-	-	-	7,060
Investment income (losses)	2,924	9,509	6,757	474,432	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	2,924	21,030	38,360	10,944,632	7,060
EXPENDITURES					
Current:					
General government					
Support services	-	-	-	529,694	-
Municipal court	-	-	-	-	-
Public safety					
Police services	-	172,482	-	347,173	-
Fire services	-	-	-	-	7,060
Public works					
Streets and drainage	-	-	-	-	-
Cultural and recreation					
Community services	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library services	-	-	-	-	-
Promotion of culture and tourism	-	-	-	-	-
Intergovernmental	-	-	-	6,849,951	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	172,482	-	7,726,818	7,060
Excess (deficiency) of revenues over (under) expenditures	2,924	(151,452)	38,360	3,217,814	-
OTHER FINANCING SOURCES (USES)					
Issuance of subscriptions	-	-	-	-	-
Transfers from other funds	-	100,000	-	-	-
Transfers to other funds	-	-	-	-	-
Total other financing sources (uses)	-	100,000	-	-	-
Net change in fund balances	2,924	(51,452)	38,360	3,217,814	-
Fund balances, beginning of year, as previously presented	57,448	205,987	116,530	8,347,195	-
Change within financial reporting entity (nonmajor to major)	-	-	-	-	-
Fund balances, as restated	57,448	205,987	116,530	8,347,195	-
FUND BALANCES, END OF YEAR	$ 60,372	$ 154,535	$ 154,890	$ 11,565,009	$ -

DEBT SERVICE		CAPITAL PROJECTS			
Southlake Parks Development Corporation	Community Enhancement Development Corporation	*Formerly Nonmajor* Southlake Parks Development Corporation	Community Enhancement Development Corporation	Crime Control District	TOTAL NONMAJOR GOVERNMENTAL FUNDS
$ -	$ -	$ -	$ -	$ -	$ 10,470,200
-	-	-	-	-	4,992,660
-	-	-	-	-	342,310
-	-	-	-	-	101,507
-	-	-	-	-	1,613,076
-	-	-	-	-	7,060
106,554	40,677	-	117,635	123,445	1,562,175
-	-	-	-	-	43,029
-	-	-	-	-	16,246
106,554	40,677	-	117,635	123,445	19,148,263
-	-	-	-	-	529,694
-	-	-	-	-	71,208
-	-	-	-	-	2,880,543
-	-		-	-	7,060
-	-	-	-	-	602,947
-	-	-	-	-	31,327
-	-	-	-	-	-
-	-	-	-	-	7,889
-	-	-	-	-	871,217
-	-	-	-	-	6,849,951
-	-	-	212,106	1,467,906	1,756,017
2,409,000	1,620,000	-	-	-	4,213,141
378,565	827,706	-	-	-	1,221,886
2,787,565	2,447,706	-	212,106	1,467,906	19,042,880
(2,681,011)	(2,407,029)	-	(94,471)	(1,344,461)	105,383
-	-	-	-	-	43,458
2,782,576	2,450,556	-	241,000	334,500	5,908,632
-	-	-	-	-	(2,219,335)
2,782,576	2,450,556	-	241,000	334,500	3,732,755
101,565	43,527	-	146,529	(1,009,961)	3,838,138
2,022,990	615,768	20,845,367	2,262,487	2,620,566	50,727,020
-	-	(20,845,367)	-	-	(20,845,367)
2,022,990	615,768	-	2,262,487	2,620,566	29,881,653
$ 2,124,555	$ 659,295	$ -	$ 2,409,016	$ 1,610,605	$ 33,719,791

City of Southlake, Texas **Exhibit C-3**

Police Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ -	$ 590	$ 590	$ -
Investment income (losses)	1,200	2,600	3,427	827
Miscellaneous	-	4,327	4,327	-
Total revenues	1,200	7,517	8,344	827
EXPENDITURES				
Current:				
Public safety				
Police services	57,426	57,426	37,809	19,617
Debt service:				
Interest and fiscal charges	-	-	4,300	(4,300)
Total expenditures	57,426	57,426	42,109	15,317
Excess (deficiency) of revenues over (under) expenditures	(56,226)	(49,909)	(33,765)	16,144
Net change in fund balances	(56,226)	(49,909)	(33,765)	16,144
Fund balances, beginning of year	88,584	88,584	88,584	-
FUND BALANCES, END OF YEAR	$ 32,358	$ 38,675	$ 54,819	$ 16,144

City of Southlake, Texas **Exhibit C-4**

Parks and Recreation Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Investment income (losses)	$ 4,300	$ 8,000	$ 11,493	$ 3,493
Contributions	66,500	25,000	34,310	9,310
Total revenues	70,800	33,000	45,803	12,803
EXPENDITURES				
Cultural and recreation				
Community services	87,500	87,500	31,327	56,173
Total expenditures	87,500	87,500	31,327	56,173
Excess (deficiency) of revenues over (under) expenditures	(16,700)	(54,500)	14,476	68,976
Net change in fund balances	(16,700)	(54,500)	14,476	68,976
Fund balances, beginning of year	216,509	216,509	216,509	-
FUND BALANCES, END OF YEAR	$ 199,809	$ 162,009	$ 230,985	$ 68,976

City of Southlake, Texas **Exhibit C-5**

Parks Dedication Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Licenses, permits, and fees	$ 90,000	$ 293,300	$ 342,310	$ 49,010
Investment income (losses)	30,000	60,000	88,135	28,135
Total revenues	120,000	353,300	430,445	77,145
Net change in fund balance	120,000	353,300	430,445	77,145
Fund balances, beginning of year	1,601,369	1,601,369	1,601,369	-
FUND BALANCES, END OF YEAR	$ 1,721,369	$ 1,954,669	$ 2,031,814	$ 77,145

City of Southlake, Texas **Exhibit C-6**

Crime Control District Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 2,424,000	$ 2,600,000	$ 2,600,691	$ 691
Investment income (losses)	95,000	185,000	250,002	65,002
Total revenues	2,519,000	2,785,000	2,850,693	65,693
EXPENDITURES:				
Public safety				
Police services	2,217,238	2,234,920	2,200,980	33,940
Capital outlay	-	-	32,547	(32,547)
Debt service:				
Principal retirement	-	-	157,600	(157,600)
Interest and fiscal charges	-	-	14,562	(14,562)
Total expenditures	2,217,238	2,234,920	2,405,689	(170,769)
Excess (deficiency) of revenues over (under) expenditures	301,762	550,080	445,004	(105,076)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	(435,260)	(445,900)	(445,900)	-
Total other financing (uses)	(435,260)	(445,900)	(445,900)	-
Net change in fund balance	(133,498)	104,180	(896)	(105,076)
Fund balances, beginning of year	5,376,292	5,376,292	5,376,292	-
FUND BALANCES, END OF YEAR	$ 5,242,794	$ 5,480,472	$ 5,375,396	$ (105,076)

City of Southlake, Texas **Exhibit C-7**

Hotel Occupancy Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Municipal sales tax	$ 2,090,500	$ 2,290,000	$ 2,391,969	$ 101,969
Investment income (losses)	55,000	125,000	185,121	60,121
Miscellaneous revenue	-	-	11,919	11,919
Total revenues	2,145,500	2,415,000	2,589,009	174,009
EXPENDITURES:				
Promotion of culture and tourism	1,143,044	1,143,044	871,217	271,827
Capital outlay	-	-	43,458	(43,458)
Debt service:				
Principal retirement	-	-	19,935	(19,935)
Interest and fiscal charges	-	-	1,053	(1,053)
Total expenditures	1,143,044	1,143,044	935,663	207,381
Excess (deficiency) of revenues over (under) expenditures	1,002,456	1,271,956	1,653,346	381,390
OTHER FINANCING USES:				
Issuance of subscriptions	-	-	43,458	43,458
Transfers to other funds	(607,645)	(658,850)	(658,850)	-
Total other financing (uses)	(607,645)	(658,850)	(615,392)	43,458
Net change in fund balance	394,811	613,106	1,037,954	424,848
Fund balances, beginning of year	3,185,163	3,185,163	3,185,163	-
FUND BALANCES, END OF YEAR	$ 3,579,974	$ 3,798,269	$ 4,223,117	$ 424,848

City of Southlake, Texas **Exhibit C-8**

Storm Water Utility Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Charges for service	$ 1,611,300	$ 1,615,100	$ 1,613,076	$ (2,024)
Investment income (losses)	40,000	66,000	92,412	26,412
Total revenues	1,651,300	1,681,100	1,705,488	24,388
EXPENDITURES:				
Public works				
Streets and drainage	609,912	609,912	602,947	6,965
Excess revenues over expenditures	1,041,388	1,071,188	1,102,541	31,353
OTHER FINANCING USES:				
Transfers to other funds	(1,113,393)	(1,114,585)	(1,114,585)	-
Net change in fund balance	(72,005)	(43,397)	(12,044)	31,353
Fund balances, beginning of year	2,162,574	2,162,574	2,162,574	-
FUND BALANCES, END OF YEAR	$ 2,090,569	$ 2,119,177	$ 2,150,530	$ 31,353

City of Southlake, Texas **Exhibit C-9**

Court Security Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 23,000	$ 25,000	$ 31,389	$ 6,389
Investment income (losses)	9,000	16,000	22,827	6,827
Total revenues	32,000	41,000	54,216	13,216
EXPENDITURES				
General government				
Municipal court	80,520	80,100	48,844	31,256
Debt service:				
Principal retirement	-	-	2,306	(2,306)
Total expenditures	80,520	80,100	51,150	28,950
Excess (deficiency) of revenues over (under) expenditures	(48,520)	(39,100)	3,066	42,166
Net change in fund balance	(48,520)	(39,100)	3,066	42,166
Fund balances, beginning of year	450,857	450,857	450,857	-
FUND BALANCES, END OF YEAR	$ 402,337	$ 411,757	$ 453,923	$ 42,166

City of Southlake, Texas **Exhibit C-10**

Court Technology Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 20,000	$ 22,000	$ 25,769	$ 3,769
Investment income (losses)	6,500	11,000	15,337	4,337
Total revenues	26,500	33,000	41,106	8,106
EXPENDITURES				
General government				
Municipal court	26,530	27,160	22,364	4,796
Excess revenues over expenditures	(30)	5,840	18,742	12,902
Net change in fund balance	(30)	5,840	18,742	12,902
Fund balances, beginning of year	290,396	290,396	290,396	-
FUND BALANCES, END OF YEAR	$ 290,366	$ 296,236	$ 309,138	$ 12,902

City of Southlake, Texas **Exhibit C-11**

Library Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Investment income (losses)	$ 300	$ 700	$ 1,039	$ 339
Contributions	4,000	8,500	8,719	219
Total revenue	4,300	9,200	9,758	558
EXPENDITURES				
Cultural and recreation				
Library services	8,000	8,000	7,889	111
Excess (deficiency) of revenues over (under) expenditures	(3,700)	1,200	1,869	669
Net change in fund balance	(3,700)	1,200	1,869	669
Fund balances, beginning of year	19,534	19,534	19,534	-
FUND BALANCES, END OF YEAR	$ 15,834	$ 20,734	$ 21,403	$ 669

City of Southlake, Texas **Exhibit C-12**

Red Light Camera Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Investment income (losses)	$ 1,500	$ 8,000	$ 10,447	$ 2,447
EXPENDITURES:				
Public safety				
Police services	126,205	126,205	122,099	4,106
Excess (deficiency) of revenues over (under) expenditures	(124,705)	(118,205)	(111,652)	6,553
Net change in fund balance	(124,705)	(118,205)	(111,652)	6,553
Fund balances, beginning of year	239,498	239,498	239,498	-
FUND BALANCES, END OF YEAR	$ 114,793	$ 121,293	$ 127,846	$ 6,553

City of Southlake, Texas **Exhibit C-13**

Commercial Vehicle Enforcement
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Fines and forfeitures	$ 25,000	$ 15,000	$ 11,521	$ (3,479)
Investment income (losses)	4,500	7,000	9,509	2,509
Total revenues	29,500	22,000	21,030	(970)
EXPENDITURES				
Public safety				
Police services	174,750	174,750	172,482	2,268
Excess (deficiency) of revenues over (under) expenditures	(145,250)	(152,750)	(151,452)	1,298
OTHER FINANCING SOURCES				
Transfers from other funds	100,000	100,000	100,000	-
Total other financing sources	100,000	100,000	100,000	-
Net change in fund balance	(45,250)	(52,750)	(51,452)	1,298
Fund balances, beginning of year	205,987	205,987	205,987	-
FUND BALANCES, END OF YEAR	$ 160,737	$ 153,237	$ 154,535	$ 1,298

City of Southlake, Texas **Exhibit C-14**

Tax Increment Financing District Special Revenue Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET - POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Ad valorem taxes, penalties and interest	$ 9,562,848	$ 10,470,200	$ 10,470,200	$ -
Investment income (losses)	160,000	300,000	474,432	174,432
Total revenues	9,722,848	10,770,200	10,944,632	174,432
EXPENDITURES				
General government:				
Support services	565,453	565,453	529,694	35,759
Public safety:				
Police services	397,446	397,446	347,173	50,273
Intergovernmental	6,256,730	6,849,951	6,849,951	-
Total expenditures	7,219,629	7,812,850	7,726,818	86,032
Excess of revenues over expenditures	2,503,219	2,957,350	3,217,814	260,464
Net change in fund balance	2,503,219	2,957,350	3,217,814	260,464
Fund balance, beginning of year	8,347,195	8,347,195	8,347,195	-
FUND BALANCE, END OF YEAR	$ 10,850,414	$ 11,304,545	$ 11,565,009	$ 260,464

City of Southlake, Texas **Exhibit C-15**

Southlake Parks Development Corporation Debt Service Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET-POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Investment income (losses)	$ 69,000	$ 76,000	$ 106,554	$ 30,554
EXPENDITURES:				
Debt service:				
Principal retirement	2,409,000	2,409,000	2,409,000	-
Interest and fiscal charges	379,576	379,576	378,565	1,011
Total expenditures	2,788,576	2,788,576	2,787,565	1,011
Excess (deficiency) of revenues over (under) expenditures	(2,719,576)	(2,712,576)	(2,681,011)	31,565
OTHER FINANCING SOURCES:				
Transfers from other funds	2,782,576	2,782,576	2,782,576	-
Total other financing sources	2,782,576	2,782,576	2,782,576	-
Net change in fund balance	63,000	70,000	101,565	31,565
Fund balances, beginning of year	2,022,990	2,022,990	2,022,990	-
FUND BALANCES, END OF YEAR	$ 2,085,990	$ 2,092,990	$ 2,124,555	$ 31,565

City of Southlake, Texas **Exhibit C-16**

Community Enhancement Development Corporation Debt Service Fund
Budgetary Comparison Schedule (GAAP Basis)
For the Year Ended September 30, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES:				
Investment income (losses)	$ 35,000	$ 35,000	$ 40,677	$ 5,677
EXPENDITURES:				
Debt service:				
Principal retirement	1,620,000	1,620,000	1,620,000	-
Interest and fiscal charges	830,556	830,556	827,706	2,850
TOTAL EXPENDITURES	2,450,556	2,450,556	2,447,706	2,850
Excess (deficiency) of revenues over (under) expenditures	(2,415,556)	(2,415,556)	(2,407,029)	8,527
OTHER FINANCING SOURCES:				
Transfers from other funds	2,450,556	2,450,556	2,450,556	-
Total other financing sources	2,450,556	2,450,556	2,450,556	-
Net change in fund balance	35,000	35,000	43,527	8,527
Fund balances, beginning of year	615,768	615,768	615,768	-
FUND BALANCES, END OF YEAR	$ 650,768	$ 650,768	$ 659,295	$ 8,527

Statistical Section

City of Southlake, Texas

Statistical Section (Unaudited)

This part of the City of Southlake's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents **Page**

Financial Trend....142

These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity....150

These tables contain information to help the reader assess the City's two most significant local revenue source, the property and sales taxes.

Debt Capacity....154

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information....158

These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information....160

These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these tables is derived from the annual comprehensive financial reports for the relevant year.

City of Southlake, Texas
Net Position by Component
(Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities				
Net investment in capital assets	$ 366,796,228	$ 364,161,725	$ 385,506,389	$ 392,406,812
Restricted	13,624,164	11,589,350	49,850,439	28,492,591
Unrestricted	59,447,800	80,992,079	45,930,426	78,585,681
Total governmental activities net position	$ 439,868,192	$ 456,743,154	$ 481,287,254	$ 499,485,084
Business-type activities				
Net investment in capital assets	$ 78,143,445	$ 79,055,138	$ 82,251,014	$ 83,461,157
Restricted	3,151,309	6,817,038	7,804,197	8,980,312
Unrestricted	10,509,498	12,487,875	15,721,755	17,935,009
Total business-type activities net position	$ 91,804,252	$ 98,360,051	$ 105,776,966	$ 110,376,478
Primary government				
Net investment in capital assets	$ 444,939,673	$ 443,216,863	$ 467,757,403	$ 475,867,969
Restricted	16,775,473	18,406,388	57,654,636	37,472,903
Unrestricted	69,957,298	93,479,954	61,652,181	96,520,690
Total primary governmental net position	$ 531,672,444	$ 555,103,205	$ 587,064,220	$ 609,861,562

Source: Annual Comprehensive Financial Report

Table 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 399,651,828	$ 415,945,257	$ 432,717,828	$ 444,246,656	$ 450,639,461	$ 472,883,752
32,690,100	25,518,844	39,870,051	99,360,585	121,858,264	111,948,381
87,753,906	96,924,423	95,211,152	62,641,199	66,478,023	88,137,949
$ 520,095,834	$ 538,388,524	$ 567,799,031	$ 606,248,440	$ 638,975,748	$ 672,970,082
$ 83,223,713	$ 76,271,158	$ 77,068,608	$ 77,774,937	$ 75,167,644	$ 74,231,905
6,215,686	10,555,032	10,966,728	9,877,167	8,464,094	11,659,020
21,579,170	29,619,463	36,831,318	45,903,642	62,370,816	70,801,660
$ 111,018,569	$ 116,445,653	$ 124,866,654	$ 133,555,746	$ 146,002,554	$ 156,692,585
$ 482,875,541	$ 492,216,415	$ 509,786,436	$ 522,021,593	$ 525,807,105	$ 547,115,657
38,905,786	36,073,876	50,836,779	109,237,752	130,322,358	123,607,401
109,333,076	126,543,886	132,042,470	108,544,841	128,848,839	158,939,609
$ 631,114,403	$ 654,834,177	$ 692,665,685	$ 739,804,186	$ 784,978,302	$ 829,662,667

City of Southlake, Texas

Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental activities:				
General government	$ 14,602,425	$ 12,851,787	$ 17,430,052	$ 18,255,444
Public safety	18,176,698	19,300,590	21,179,963	23,962,971
Public works	9,762,184	11,950,671	8,979,020	10,040,453
Culture and recreation	9,311,006	10,655,763	11,780,022	12,775,020
Promotion of culture and tourism	-	-	-	-
Interest on long-term debt	2,528,113	3,005,359	3,834,897	3,047,221
Total governmental activities expenses	54,380,426	57,764,170	63,203,954	68,081,109
Business-type activities:				
Water and sewer	26,692,373	24,741,428	24,703,007	29,068,434
Total business-type activities expenses	26,692,373	24,741,428	24,703,007	29,068,434
Total primary government expenses	$ 81,072,799	$ 82,505,598	$ 87,906,961	$ 97,149,543
Program Revenues				
Governmental activities:				
Charges for Services:				
General government	$ 2,309,861	$ 2,363,499	$ 2,262,247	$ 2,895,701
Public safety	4,427,137	4,620,030	3,929,564	2,495,288
Public works	265,432	223,533	143,935	1,635,163
Culture and recreation	1,399,822	1,537,185	1,814,319	1,301,793
Operating grants and contributions	455,575	310,636	328,288	459,006
Capital grants and contributions	8,967,466	2,228,863	7,714,765	1,044,834
Total governmental activities program revenues	17,825,293	11,283,746	16,193,118	9,831,785
Business-type activities:				
Charges for services:				
Water and sewer	24,792,619	25,474,777	27,939,504	32,229,361
Capital grants and contributions	5,776,438	1,638,842	3,851,057	2,367,774
Total business-type activities program revenues	30,569,057	27,113,619	31,790,561	34,597,135
Total primary government program revenues	$ 48,394,350	$ 38,397,365	$ 47,983,679	$ 44,428,920
Net (Expenses) Revenue				
Governmental activities	$ (36,555,133)	$ (46,480,424)	$ (47,010,836)	$ (58,249,324)
Business-type activities	3,876,684	2,372,191	7,087,554	5,528,701
Total primary government net expenses	$ (32,678,449)	$ (44,108,233)	$ (39,923,282)	$ (52,720,623)
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues:				
Property taxes	$ 33,176,285	$ 34,501,608	$ 37,705,796	$ 40,380,926
Sales taxes	30,090,614	29,047,285	29,968,331	30,822,431
Franchise taxes	3,327,739	2,955,114	2,907,537	2,972,143
Investment income (losses)	523,954	379,342	843,082	2,108,804
Gain (Loss) on sale of capital assets	102,900	102,960	71,284	-
Miscellaneous	1,066,818	136,477	216,881	-
Transfers	968,160	(3,767,400)	(157,975)	1,211,036
Total governmental activities	69,256,470	63,355,386	71,554,936	77,495,340
Business-type activities:				
Interest on investments	112,967	94,837	167,068	320,473
Gain (Loss) on sale of capital assets	23,100	317,276	350	-
Transfers	(968,160)	3,767,400	157,975	(1,211,036)
Miscellaneous	4,521	4,095	3,968	4,166
Total business-type activities	(827,572)	4,183,608	329,361	(886,397)
Total primary government	$ 68,428,898	$ 67,538,994	$ 71,884,297	$ 76,608,943
Change in Net Position				
Governmental activities	$ 32,701,337	$ 16,874,962	$ 24,544,100	$ 19,246,016
Business-type activities	3,049,112	6,555,799	7,416,915	4,642,304
Total primary government	$ 35,750,449	$ 23,430,761	$ 31,961,015	$ 23,888,320

Source: Annual Comprehensive Financial Report
Notes: The City started splitting out promotion of culture and tourism in 2024

Table 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 20,014,583	$ 21,275,487	$ 20,990,841	$ 20,685,238	$ 26,292,171	$ 26,994,341
23,881,485	24,054,527	23,642,969	24,915,801	26,658,917	27,798,598
10,081,721	9,839,646	9,122,951	10,111,585	12,108,564	10,709,563
15,955,201	17,665,953	15,367,103	16,970,272	18,657,110	19,939,371
-	-	-	-	-	871,217
2,750,037	2,171,359	2,076,809	1,979,546	2,071,867	1,867,737
72,683,027	75,006,972	71,200,673	74,662,442	85,788,629	88,180,827
29,873,788	27,490,815	25,730,741	28,397,036	28,506,292	28,969,340
29,873,788	27,490,815	25,730,741	28,397,036	28,506,292	28,969,340
$ 102,556,815	$ 102,497,787	$ 96,931,414	$ 103,059,478	$ 114,294,921	$117,150,167
$ 2,498,549	$ 1,631,816	$ 1,733,148	$ 1,957,434	$ 1,712,925	$ 2,271,472
3,001,895	2,536,553	2,166,430	803,365	774,891	1,081,451
1,724,344	1,824,434	1,658,723	4,287,138	3,477,348	3,337,594
2,145,128	2,993,552	3,387,430	4,477,031	5,664,775	5,607,865
866,518	1,807,473	894,423	8,736,294	825,770	375,784
1,437,166	1,422,315	5,882,015	2,653,556	2,382,770	4,890,150
11,673,600	12,216,143	15,722,169	22,914,818	14,838,479	17,564,316
29,929,932	32,271,341	32,071,140	37,241,976	37,630,965	35,597,701
896,652	1,315,092	3,332,452	1,376,002	2,064,296	1,734,388
30,826,584	33,586,433	35,403,592	38,617,978	39,695,261	37,332,089
$ 42,500,184	$ 45,802,576	$ 51,125,761	$ 61,532,796	$ 54,533,740	$ 54,896,405
$ (61,009,427)	$ (62,790,829)	$ (55,478,504)	$ (51,747,624)	$ (70,950,150)	$ (70,616,511)
952,796	6,095,618	9,672,851	10,220,942	11,188,969	8,362,749
$ (60,056,631)	$ (56,695,211)	$ (45,805,653)	$ (41,526,682)	$ (59,761,181)	$ (62,253,762)
$ 41,734,946	$ 41,973,780	$ 41,660,369	$ 41,392,861	$ 42,315,760	$ 43,315,203
31,868,204	32,119,114	38,461,312	43,723,490	47,917,152	44,830,166
3,114,117	2,811,573	2,671,726	2,988,874	3,656,895	3,445,059
3,247,401	1,721,876	101,746	(475,934)	7,934,301	11,116,664
-	-	-	-	4,156	143,146
476,577	1,222,231	709,736	804,354	512,725	151,752
1,178,932	1,234,945	1,284,122	1,360,830	1,336,469	1,608,855
81,620,177	81,083,519	84,889,011	89,794,475	103,677,458	104,610,845
868,227	566,411	32,272	(171,020)	2,594,308	3,839,868
-	-	-	-	-	96,269
(1,178,932)	(1,234,945)	(1,284,122)	(1,360,830)	(1,336,469)	(1,608,855)
-	-	-	-	-	-
(310,705)	(668,534)	(1,251,850)	(1,531,850)	1,257,839	2,327,282
$ 81,309,472	$ 80,414,985	$ 83,637,161	$ 88,262,625	$ 104,935,297	$106,938,127
$ 20,610,750	$ 18,292,690	$ 29,410,507	$ 38,046,851	$ 32,727,308	$ 33,994,334
642,091	5,427,084	8,421,001	8,689,092	12,446,808	10,690,031
$ 21,252,841	$ 23,719,774	$ 37,831,508	$ 46,735,943	$ 45,174,116	$ 44,684,365

City of Southlake, Texas
Fund Balances, Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	$ 27,826	$ 86,286	$ 57,997	$ 86,286
Committed for:				
Police expenditures	34,609	-	46,657	-
Assigned for:				
Teen court expenditures	19,077	19,835	19,684	19,835
Senior center expenditures	10,624	10,743	10,671	10,743
Recycling	40,612	59,163	52,811	59,163
Reforestation expenditures	101,873	111,728	112,300	111,728
Public art	-	-	-	678,829
Facility maintenance	-	-	-	6,708,556
Economic investment	-	-	-	2,237,211
Strategic initiatives	7,673,680	5,297,998	6,052,063	5,299,595
Unassigned	18,230,317	19,762,633	18,745,735	11,799,021
Total general fund	$ 26,138,618	$ 25,348,386	$ 25,097,918	$ 27,010,967
All Other Governmental Funds*				
Nonspendable	$ -	$ -	$ -	$ 50,177
Restricted for:				
Debt service	11,057,196	9,005,985	8,029,607	7,750,782
Capital projects	-	-	-	-
Municipal court expenditures	878,490	838,458	868,393	851,104
Reinvestment zone expenditures	4,010,195	3,851,783	1,954,971	923,093
Parks and recreation	41,949,791	72,654,652	78,664,646	40,726,831
Storm water	-	-	-	-
Police expenditures	-	-	-	-
Library expenditures	-	-	-	-
Promotion of culture and tourism	-	-	-	-
Committed for:				
Police expenditures	7,813,849	4,986,804	3,645,226	4,743,948
Parks and recreation	10,720,498	11,125,967	17,968,695	8,904,671
Oil and gas expenditures	53,168	53,227	53,404	53,719
Storm water expenditures	451,371	4,856,336	453,374	456,388
Library expenditures	8,832	7,132	7,432	8,338
Capital projects	-	-	-	34,285,874
Assigned for:				
Capital projects	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	$ 76,943,390	$107,380,344	$111,645,748	$ 98,704,748

Source: Annual Comprehensive Financial Report

Notes: [a] Includes encumbrances and prepaid items.

* The City started splitting parks and recreation with storm water and promotion of culture and tourism in 2020

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 63,189	$ 40,839	$ 69,373	$ 401,529	$ 54,317	$ 44,905
-	-	-	-	-	-
20,427	20,693	20,721	20,882	21,862	23,161
10,938	11,064	11,074	11,042	11,486	12,061
66,253	70,395	76,458	138,291	70,977	77,363
63,030	35,150	54,847	96,012	153,918	160,358
835,991	500,819	364,046	441,984	610,439	539,053
7,222,995	8,813,795	9,351,441	10,064,326	11,843,299	12,934,258
2,282,718	3,525,280	2,870,637	2,950,994	3,225,478	3,541,789
7,585,671	10,603,712	15,096,120	20,306,807	15,383,080	13,189,926
12,517,340	14,022,976	15,810,846	14,681,556	17,594,609	17,019,733
$ 30,668,552	$ 37,644,723	$ 43,725,563	$ 49,113,423	$ 48,969,465	$ 47,542,607
$ -	$ -	$ -	$ -	$ -	$ -
8,419,008	7,102,145	5,594,579	5,751,585	5,632,021	5,052,068
-	-	-	26,395,656	34,698,804	24,660,776
847,247	739,828	775,437	835,268	859,689	920,494
2,925,977	4,999,895	5,641,893	6,663,970	8,347,195	11,565,009
24,372,567	9,381,019	24,792,059	47,632,465	58,345,188	55,441,867
-	1,789,612	1,255,873	1,936,358	2,162,574	2,150,530
-	-	-	7,791,993	8,530,927	7,323,201
-	-	-	14,604	19,534	21,403
-	1,834,337	2,089,422	2,653,697	3,185,163	4,223,117
5,254,694	5,256,684	6,549,013	1,169,498	1,601,369	2,031,814
8,815,413	11,121,825	1,793,351	55,266	57,448	60,372
54,754	55,424	55,541	-	-	-
465,180	-	-	-	-	-
9,528	11,323	12,725	-	-	-
44,554,528	45,315,086	44,304,341	-	-	-
-	-	-	19,442,768	27,706,556	45,400,563
-	(175,833)	-	-	-	-
$ 95,718,896	$ 87,431,345	$ 92,864,234	$ 120,343,128	$ 151,146,468	$158,851,214

City of Southlake, Texas

Changes in Fund Balances, Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year			
	2015	2016	2017	2018
REVENUES				
Ad valorem taxes, penalties and interest	$ 33,294,062	$ 34,445,902	$ 37,688,372	$ 40,484,511
Franchise taxes	3,327,739	2,955,114	2,907,537	2,972,143
Municipal sales tax and mixed beverage tax	30,090,614	29,047,285	29,968,331	30,822,431
Licenses, permits and fees	4,385,000	4,590,477	4,103,003	2,184,965
Charges for services	1,849,747	1,797,676	1,909,922	1,984,377
Fines and forfeitures	1,943,406	2,011,137	1,969,180	2,040,036
Intergovernmental revenue	90,428	128,489	100,899	2,108,228
Capital recovery fees	866,782	1,237,552	308,095	376,004
Investment income (losses)	490,551	71,411	118,956	2,044,822
Contributions	112,409	383,732	859,199	97,644
Miscellaneous	672,333	528,093	544,727	481,919
Total revenues	77,123,071	77,196,868	80,478,221	85,597,080
EXPENDITURES				
General government	8,974,058	9,301,750	9,608,516	11,053,010
Public safety	16,968,939	17,376,310	18,520,588	19,806,464
Public works	5,332,402	5,483,131	19,112,170	23,225,431
Culture and recreation	7,441,366	8,456,526	8,783,323	8,026,149
Promotion of culture and tourism	-	-	-	-
Intergovernmental	4,478,312	4,623,919	5,348,444	6,045,218
Capital outlay	21,349,324	8,658,067	4,800,627	12,214,328
Debt service				
Principal retirement	14,489,311	13,394,604	13,258,185	12,220,242
Interest and fiscal charges	3,894,535	3,796,740	4,084,086	3,695,048
Total expenditures	82,928,247	71,091,047	83,515,939	96,285,890
Excess (deficiency) of revenues over (under) expenditures	(5,805,176)	6,105,821	(3,037,718)	(10,688,810)
OTHER FINANCING SOURCES (USES)				
Sale of property	3,271	-	-	-
Issuance of tax notes payable	-	-	-	-
Issuance of general obligation bonds	-	-	-	-
Premium (Discount) on issuance of refunding bonds	-	-	884,928	-
Issuance of sales tax revenue bonds	-	24,450,000	9,945,000	-
Issuance of refunding bonds	-	-	3,830,000	-
Issuance of lease	-	-	-	-
Issuance of subscriptions	-	-	-	-
Premium (Discount) on issuance of general obligation bonds	-	2,168,153	-	-
Payment to refund bond escrow agent	-	-	(4,309,151)	-
Transfer from other funds	21,925,067	23,584,605	23,332,602	23,056,973
Transfer to other funds	(22,156,907)	(28,352,005)	(24,940,577)	(23,345,937)
Total other financing sources (uses)	(228,569)	21,850,753	8,742,802	(288,964)
NET CHANGE IN FUND BALANCES	$ (6,033,745)	$ 27,956,574	$ 5,705,084	$ (10,977,774)
Debt service as a percentage of noncapital expenditures	29.9%	27.5%	22.0%	18.9%

Source: Annual Comprehensive Financial Report

Table 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 41,744,243	$ 41,980,391	$ 41,675,661	$ 41,429,872	$ 42,299,595	$ 43,350,717
3,114,117	2,811,573	2,671,726	2,988,874	3,656,895	3,445,059
31,868,204	32,119,114	38,461,312	43,723,490	47,917,152	44,830,166
3,161,228	2,868,166	2,041,189	3,071,428	2,475,077	2,266,949
4,970,991	5,013,769	5,783,552	7,104,883	8,234,710	8,783,400
1,798,033	968,495	954,809	1,213,211	903,685	962,141
124,141	1,737,849	760,658	9,974,795	1,545,199	4,014,451
621,715	693,293	232,525	773,745	466,928	143,101
3,123,081	1,634,301	96,183	(448,117)	7,485,826	10,613,238
198,449	82,225	72,565	242,645	110,067	90,855
341,934	1,544,346	836,962	324,548	512,725	151,752
91,066,136	91,453,522	93,587,142	110,399,374	115,607,859	118,651,829
12,988,724	13,233,455	14,236,006	13,493,594	15,976,466	16,107,327
21,145,351	21,534,858	22,015,080	22,719,906	24,066,322	25,686,718
5,687,428	7,834,577	7,177,205	8,861,496	10,287,273	9,003,118
21,815,043	13,226,045	11,202,609	13,118,278	14,545,618	15,841,400
-	-	-	-	-	871,217
6,123,926	7,214,798	6,049,200	5,934,584	6,454,981	6,849,951
8,285,716	15,951,425	11,521,223	11,601,162	15,026,038	24,681,093
8,385,059	9,896,675	10,341,201	8,645,737	10,777,728	11,001,476
3,175,731	3,108,014	2,629,585	2,321,838	2,436,839	2,485,911
87,606,978	91,999,847	85,172,109	86,696,595	99,571,265	112,528,211
3,459,158	(546,325)	8,415,033	23,702,779	16,036,594	6,123,618
6,019	-	27,288	52,124	4,156	43,351
-	-	-	-	13,397,000	-
-	-	3,753,000	-	-	-
1,329,086	-	-	8,595,000	-	-
-	-	-	-	-	-
10,860,000	-	1,989,000	-	-	-
-	-	-	514,162	53,975	752,937
-	-	-	-	3,031,188	377,356
-	-	-	737,765	-	-
(12,311,639)	-	(1,954,804)	-	-	-
17,941,263	15,937,424	14,161,081	28,575,100	27,129,055	24,187,053
(20,662,331)	(16,702,479)	(14,876,959)	(29,714,270)	(28,992,586)	(25,206,427)
(2,837,602)	(765,055)	3,098,606	8,759,881	14,622,788	154,270
$ 621,556	$ (1,311,380)	$ 11,513,639	$ 32,462,660	$ 30,659,382	$ 6,277,888
14.6%	17.1%	17.6%	14.6%	15.6%	15.4%

City of Southlake, Texas **Table 5**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

	Estimated Market Value				
Fiscal Year	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	6,497,726,969	615,477,149	781,092,303	6,332,111,815	0.46200
2016	6,803,420,392	543,329,621	1,076,075,223	6,270,674,790	0.46200
2017	7,728,483,676	544,366,919	1,405,299,263	6,867,551,332	0.46200
2018	8,434,595,190	604,366,009	1,731,612,466	7,307,348,733	0.46200
2019	9,207,076,601	616,734,066	1,898,185,963	7,925,624,704	0.44700
2020	9,875,022,046	660,867,222	2,044,945,094	8,490,944,174	0.41000
2021	10,050,064,169	670,131,158	2,119,446,400	8,600,748,927	0.40500
2022	10,901,930,889	656,909,695	2,175,862,927	9,382,977,657	0.39000
2023	13,402,397,974	694,991,067	3,692,093,268	10,405,295,773	0.36000
2024	16,010,553,069	756,859,920	5,407,631,097	11,359,781,892	0.31900

Source: Tarrant Appraisal District

City of Southlake, Texas **Table 6**

Direct and Overlapping Property Tax Rates (Per $100 of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates				
Fiscal Year	Operating/ General Rate	General Obligation Debt Service	Total Direct	Carroll Independent School District	Tarrant County	Denton County	Tarrant County Hospital District	Tarrant County College District
2015	0.34200	0.12000	0.46200	1.40000	0.264000	0.272200	0.227897	0.149500
2016	0.36200	0.10000	0.46200	1.39500	0.264000	0.262000	0.227897	0.149500
2017	0.36200	0.10000	0.46200	1.39000	0.254000	0.248410	0.227897	0.144730
2018	0.36200	0.10000	0.46200	1.38500	0.244000	0.237810	0.224429	0.140060
2019	0.35700	0.09000	0.44700	1.38000	0.234000	0.225570	0.224429	0.136070
2020	0.33000	0.08000	0.41000	1.30000	0.234000	0.225280	0.224429	0.130170
2021	0.33000	0.07500	0.40500	1.28640	0.234000	0.224990	0.224429	0.130170
2022	0.32500	0.06500	0.39000	1.26860	0.229000	0.233090	0.224429	0.130170
2023	0.29500	0.06500	0.36000	1.21880	0.224000	0.217543	0.224429	0.130170
2024	0.26400	0.05500	0.31900	1.00250	0.194500	0.189485	0.194500	0.112170

Source: Tarrant Appraisal District

City of Southlake, Texas **Table 7**

Principal Property Tax Payers
Current Year and Nine Years Ago
(Unaudited)

2024			2015		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
Town Square Ventures LP	$ 296,207,832	2.14%	Verizon Wireless Texas LLC	$ 172,818,555	2.79%
Cellco Partnership	120,369,787	0.87%	Town Square Ventures LP	141,692,722	2.29%
SC Southlake Owner LLC	101,462,569	0.73%	SLTS Grand Avenue/II LP	80,996,312	1.31%
MCI Communications Svcs Inc	74,217,006	0.54%	Wyndham Properties Ltd	56,153,054	0.91%
TD Ameritrade Services Company Inc	66,500,000	0.48%	Sabre Headquarters LLC	54,803,383	0.88%
Carroll/1709 Ltd	57,000,000	0.41%	Carroll/1709 Ltd	50,236,877	0.81%
Excel Southlake LP	52,005,178	0.38%	H & C Southlake Hilton LLC	45,538,856	0.73%
1400 Plaza Place Southlake Owner LLC	44,000,000	0.32%	Inland Western Southlake Corners Ltd	31,208,142	0.50%
BDP Southlake Dst	40,053,750	0.29%	Cambridge 114 Inc	29,435,986	0.47%
DSL Landlord II LLC	39,928,000	0.29%	Costco Wholesale Corporation	22,492,599	0.36%
Total	$ 891,744,122	6.45%	Total	$ 685,376,486	11.05%
Total Assessed Valuation	13,827,523,992	100.00%	Total Assessed Valuation	6,199,833,416	100.00%

Source: Tarrant Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2023 (2023 tax year) for the 2024 fiscal year.
[b]Taxpayers are assessed on January 1, 2014 (2014 tax year) for the 2015 fiscal year.

City of Southlake, Texas **Table 8**

Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	$ 27,791,839	$ 27,556,790	99.15	$ 106,959	$ 27,663,749	99.54
2016	28,965,792	28,684,131	99.03	170,050	28,854,181	99.61
2017	31,410,934	31,054,006	98.86	95,756	31,149,762	99.17
2018	33,358,429	32,975,600	98.85	66,110	33,041,710	99.05
2019	34,957,519	34,486,820	98.65	13,597	34,500,417	98.69
2020	34,109,141	33,572,469	98.43	91,517	33,663,986	98.69
2021	34,329,457	33,833,652	98.56	(85,475)	33,748,177	98.31
2022	34,526,168	34,013,771	98.52	(73,798)	33,939,973	98.30
2023	34,929,247	34,409,848	98.51	(52,121)	34,357,727	98.36
2024	35,165,809	34,649,633	98.53	-	34,649,633	98.53

Source: Tarrant County Tax Office

City of Southlake, Texas **Table 9**

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

	Governmental Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Tax Notes	Financed Purchases	Leases	Subscriptions
2015	40,847,363	33,182,855	25,540,000	-	-	-	-
2016	40,733,282	29,511,905	48,330,000	-	-	-	-
2017	39,022,933	18,706,525	57,207,643	-	-	-	-
2018	30,112,187	11,050,000	53,605,000	-	-	-	-
2019	40,949,900	6,606,486	44,592,458	-	-	-	-
2020	33,224,148	6,172,109	41,767,697	-	-	-	-
2021	27,428,338	3,782,833	38,832,936	3,753,000	-	-	-
2022	22,757,701	12,783,180	35,788,175	2,686,000	405,368	338,051	-
2023	17,925,536	10,953,008	32,648,415	15,420,000	308,329	448,904	2,165,395
2024	12,933,845	9,282,834	29,383,653	14,751,000	208,476	813,519	1,817,561

	Business-Type Activities							
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Revenue Bonds	Contract Revenue Obligations	Subscriptions	Total Primary Government	Percentage of Personal Income[a]	Per Capita[a]
2015	15,422,270	30,035,860	-	750,000	-	99,570,218	9.03	5,238
2016	12,974,232	29,143,202	-	385,000	-	118,575,187	9.30	5,694
2017	13,846,422	28,963,708	-	-	-	114,937,101	8.08	5,358
2018	9,187,813	30,550,000	-	-	-	94,767,187	6.14	4,547
2019	14,816,097	22,463,654	-	-	-	92,148,844	6.01	4,270
2020	12,678,798	21,352,753	-	-	-	81,163,954	5.29	3,793
2021	12,916,025	18,217,805	-	-	-	73,797,107	4.84	3,363
2022	11,319,357	17,193,400	-	-	-	74,758,475	4.12	3,271
2023	9,676,216	16,128,995	-	-	-	79,869,587	4.09	3,305
2024	8,020,271	26,098,698		-	34,052	69,190,888	2.00	2,137

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[a]See Table 13 for personal income and population data.

City of Southlake, Texas **Table 10**

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Less: Available Debt Service Funds	Net General Bonded Debt	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2015	56,269,633	63,218,715	119,488,348	8,735,479	110,752,869	1.79%	3,979
2016	53,707,514	58,655,107	112,362,621	6,899,109	105,463,512	1.72%	3,728
2017	52,869,355	47,670,233	100,539,588	7,444,512	93,095,076	1.38%	3,162
2018	39,300,000	41,600,000	80,900,000	7,345,622	73,554,378	1.03%	2,487
2019	55,765,997	29,070,140	84,836,137	8,009,333	76,826,804	0.99%	2,535
2020	45,902,946	27,524,862	73,427,808	6,774,153	66,653,655	0.80%	2,195
2021	40,344,363	22,000,638	62,345,001	5,315,367	57,029,634	0.68%	1,828
2022	34,077,058	29,976,580	64,053,638	5,436,574	58,617,064	0.64%	1,857
2023	27,601,752	27,082,003	54,683,755	5,256,902	49,426,853	0.50%	1,710
2024	20,954,116	35,381,535	56,335,651	4,776,366	51,559,285	0.41%	1,740

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

City of Southlake, Texas **Table 11**

Direct and Overlapping Governmental Activities Debt
As of September 30, 2024
(Unaudited)

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Area	Share of Overlapping Debt
Debt repaid with property taxes			
Carroll ISD	$ 269,520,000	84.72%	$ 228,337,344
Denton County	673,670,000	0.18%	$ 1,212,606
Grapevine-Colleyville ISD	272,665,659	1.52%	$ 4,144,518
Keller ISD	736,234,989	2.43%	$ 17,890,510
Northwest ISD	2,280,247,569	1.04%	$ 23,714,575
Tarrant County	345,130,000	3.86%	$ 13,322,018
Tarrant County College District	569,915,000	3.86%	$ 21,998,719
Tarrant County Hospital District	440,020,000	3.86%	$ 16,984,772
Subtotal, overlapping debt			327,605,062
City of Southlake (direct debt)	$ 69,190,696	100.00%	69,190,696
Total direct and overlapping debt			$ 396,795,758

Source: Municipal Advisory Council of Texas.

Note: Includes only debt of the City's governmental activities.

Note: Per the Municipal Advisory Council of Texas, the overlapping percentages are calculated by determining the estimated share assessed valuation of taxable property within the overlapping taxing bodies and the City, and then dividing that share value by the total assessed value of taxable property within the overlapping tax body.

City of Southlake, Texas **Table 12**

Pledged-Revenue Coverage – Southlake Parks Development Corporation
Last Ten Fiscal Years
(Unaudited)

	Southlake Parks Development Corporation - Sales Tax Revenue Refunding Bonds				
		Debt Service			
Fiscal Year	Sales Tax Collections	Principal	Interest	Total Annual Requirement[a]	Times Coverage
2015	7,440,726	1,120,000	463,200	1,583,200	4.70
2016	7,318,490	1,150,000	429,150	1,579,150	4.63
2017	7,578,446	1,190,000	394,050	1,584,050	4.78
2018	7,705,009	1,225,000	357,825	1,582,825	4.87
2019	7,741,005	1,260,000	320,550	1,580,550	4.90
2020	7,908,601	1,300,000	282,150	1,582,150	5.00
2021	9,249,930	1,340,000	242,550	1,582,550	5.84
2022	10,610,993	1,385,000	201,675	1,586,675	6.69
2023	12,829,196	1,415,000	159,675	1,574,675	8.15
2024	10,661,725	1,460,000	116,550	1,576,550	6.76

Note: [a]Includes Principal and Interest

City of Southlake, Texas **Table 13**

Pledged-Revenue Coverage – Southlake Community Enhancement and Development Corporation
Last Ten Fiscal Years
(Unaudited)

		Southlake Community Enhancement and Development Corporation - Sales Tax Revenue Bonds				
			Debt Service			
Fiscal Year		Sales Tax Collections	Principal	Interest	Total Annual Requirement[a]	Times Coverage
2016	(1)	$ 5,421,104	$ -	$ -	$ -	-
2017		5,613,664	-	869,749	869,749	6.45
2018		5,707,414	1,190,000	1,252,239	2,442,239	2.34
2019		5,734,078	1,280,000	1,163,406	2,443,406	2.35
2020		5,858,223	1,340,000	1,102,406	2,442,406	2.40
2021		6,851,800	1,410,000	1,033,656	2,443,656	2.80
2022		7,859,995	1,475,000	968,056	2,443,056	3.22
2023		8,463,832	1,540,000	899,206	2,439,206	3.47
2024		7,897,574	1,620,000	822,556	2,442,556	3.23

Note: [a]Includes Principal and Interest

(1) This was the year of issuance. Accordingly, no principal or interest payments were scheduled in this year, and no debt was outstanding in the previous 2 years that was secured by pledged revenue.

City of Southlake, Texas **Table 14**

Demographic and Economic Statistics
Last Ten Calendar Years
(Unaudited)

Fiscal Year	Estimated Population[a]	Personal Income	Per Capita Personal Income	School Enrollment[c]	Unemployment Rate[d]
2015	27,833	1,613,952,171	57,987	7,884	3.5%
2016	28,290	1,732,875,660	61,254	8,177	3.5%
2017	29,440	1,951,901,440	66,301	8,190	3.0%
2018	29,580	2,189,038,320	74,004	8,341	3.2%
2019	30,310	2,151,828,140	70,994	8,344	2.7%
2020	30,370	2,177,863,070	71,711	8,509	5.2%
2021	31,199	2,169,765,654	69,546	8,318	3.6%
2022	31,569	2,506,862,721	79,409	8,382	3.0%
2023	31,975	2,585,284,275	80,853	8,318	3.6%
2024	32,376	3,453,868,176	106,680	8,292	3.6%

Note: [a]City of Southlake Economic Development
[b]Carroll Independent School District
[c]Texas Workforce Commission

City of Southlake, Texas **Table 15**

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

	2024		2015	
Employer[a]	Employees[a]	Percentage of Total City Employment	Employees[a]	Percentage of Total City Employment
Sabre Holdings	2,404	14.83%	3,600	27.89%
Carroll ISD	1,149	7.09%	1,100	8.52%
Charles Schwab	1,094	6.75%	-	0.00%
Verizon Wireless	738	4.55%	750	5.81%
Gateway Church	604	3.73%	570	4.42%
City of Southlake	585	3.61%	-	0.00%
Keller Williams	500	3.09%	487	3.77%
2020 Companies	461	2.84%	-	0.00%
Central Market	442	2.73%	-	0.00%
Immunotek Bio Centers LLC	378	2.33%	-	0.00%
Total	8,355	51.55%	6,507	50.41%
Total Southlake Daytime Employees[b]	16,206		12,907	

Source: [a]City of Southlake Economic Development
[b]Texas Workforce Commission

City of Southlake, Texas **Table 16**

Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government and Administration	52.00	51.00	57.00	60.00	74.00	75.75	78.14	80.64	82.64	82.63
Public Safety	140.95	140.95	139.95	141.45	145.15	145.15	145.15	145.15	149.70	150.55
Public Works	33.25	35.25	34.50	35.50	35.00	35.00	35.00	34.35	35.35	35.35
Culture and Recreational	65.65	71.40	72.03	114.78	108.93	111.80	113.93	113.93	121.48	121.48
Water and Sewer	29.50	30.25	31.00	31.00	31.00	30.00	30.00	31.65	31.65	31.65
Community Development	23.00	23.00	23.00	23.00	22.00	23.00	22.50	22.50	23.50	23.50
Economic Development	4.00	4.00	1.00	1.00	2.00	3.63	3.63	4.00	4.00	4.00
Total	348.35	355.85	358.48	406.73	418.08	424.33	428.35	432.22	448.32	449.16

Source: City Budget

City of Southlake, Texas **Table 17**

Operations Indicators by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year									
Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police										
Number of employees	68	68	67	68	72	72	72	72	76	76
Number of violations (citations)	16,241	15,003	13,840	13,492	13,759	9,095	8,230	9,551	7,342	8,582
Number of arrests	1,095	513	1,148	1,027	719	1,025	838	640	324	367
Number of alarm calls	3,497	3,673	3,284	3,434	3,171	2,465	2,549	893	1,469	1,523
Fire										
Number of employees	72	73	73	73	73	73	73	73	74	74
Number of fire runs	1,220	760	807	811	748	999	1,036	834	894	940
Number of EMS runs	1,448	1,745	1,808	1,802	1,875	1,517	1,994	2,256	2,418	2,423
Number of hazardous materials runs	43	95	105	109	90	94	92	111	93	151
Number of alarm calls	501	608	652	651	678	602	748	659	590	598
Development Services										
Streets maintained (miles)	204	209	199	211	213	214	214	214	217	217
Streets crack sealed (blocks)	N/A	N/A	75	391	384	5	0	68	0	0
Roadway signage replaced/installed	N/A	568	N/A	21	136	13	132	128	137	165
Asphalt repairs (tons)	4,849	4,667	6,671	5,191	6,100	213	7,747	151	250	375
Concrete repairs to roads/sidewalks (cu. yds.)	2,421	308	1,462	1,188	503	41	1,269	11	7	15
Right-of-way maintenance (miles)	N/A	N/A	5	417	417	558	55	7	2	9
Building permits Issued[a]	2,979	2,703	3,163	3,453	3,133	2,834	3,209	3,372	2,990	2,827
Planning & zoning cases heard	136	190	100	110	76	62	82	53	65	77
Cultural and Recreational										
Parks and Recreation										
Park maintain & operate per acre	1,200	1,106	1,106	1,106	1,106	1,106	561	561	561	1,139
Participants in leisure service programs	6,200	8,687	8,735	9,844	17,555	8,065	7,360	13,010	25,000	22,790
Participants in special events	60,000	66,000	72,625	71,400	65,000	900	36,300	44,000	48,000	54,700
Participants in senior center programs	4,900	8,868	13,449	13,552	14,068	4,989	6,390	6,691	8,663	10,219
Library										
Volumes in collection	44,971	45,416	44,899	43,947	41,789	43,699	41,895	42,607	42,034	42,533
Patrons	16,838	13,461	13,764	14,327	15,267	13,274	14,467	15,446	17,054	15,450
Water and Sewer										
Number of water consumers	10,183	10,581	10,941	11,009	11,133	11,236	11,349	11,461	11,528	11,598
Number of sewer accounts	8,167	8,470	8,889	9,111	11,886	9,053	9,142	9,229	9,319	9,387
Line inspections (feet)	1,086,624	789,266	687,246	574,136	641,941	377,081	214,789	141,503	189,370	409,254
Water meters installed/repaired/replaced	1,284	10,566	135	191	279	186	359	4,099.00	102	94
Transmitters installed/replaced	N/A	10,566	489	124	113	466	1,327	7,891.00	6,666	203
Gallons purchased from Ft. Worth (millions)	3,069,971	2,904,048	3,206,363	3,156,019	2,762,227	3,013,801	3,057,825	3,914,878	3,805,874	3,527,876
Gallons distributed (millions)	2,870,430	2,935,818	2,900,926	3,229,438	2,363,542	2,957,582	2,731,697	3,569,090	3,539,810	3,371,031
Maximum storage capacity (million of gallons)	21	21	21	21	21	21	21	21	21	21

Source: City Departments
Notes: N/A Data not available
[a]Includes residential, commercial, and miscellaneous (e.g. pools, fences) permits.

City of Southlake, Texas **Table 18**

Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Fiscal Year 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police Stations	3	3	3	3	3	3	3	3	3	3
Police Patrol Units	25	25	25	25	25	21	23	20	23	23
Fire Stations	3	3	3	3	3	3	3	3	3	3
Police Motorcycle Units	5	5	5	5	5	5	5	5	5	5
Cultural and Recreational										
Parks	18	18	18	18	18	18	35	35	35	35
Playgrounds	7	6	6	6	7	7	6	7	7	7
Dog Park	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	21	21	21	21	21	21	21	21	21	21
In-line hockey rink/turf field[a]	1	1	1	1	1	1	1	1	1	1
Ballfields	32	27	29	29	29	29	22	22	22	22
Soccer Fields	13	12	21	21	21	21	21	21	21	21
Nature Center	1	1	1	1	1	1	1	1	1	1
Pickleball courts	0	0	0	0	0	0	0	0	0	9
Water and Sewer										
Water Mains (miles)	285	290	284	298	301	304	293	294	296	304
Lift Stations	13	13	14	15	15	15	9	13	13	13
Sanitary Sewer Mains (miles)	206	209	212	216	218	220	220	222	223	224
Drainage, ditches/creeks (miles)	36	36	48	52	51	51	42	51	51	51
Fire hydrants	2,594	2,643	2,723	2,774	2,809	2,854	2,919	2,938	2,973	3,017
Water valves	N/A	7,154	7,360	7,553	7,673	7,818	8,023	8,104	8,212	8,309

Source: City Departments

Note: N/A - Data not available

[a]In-line hockey rink converted to turf field in 2020.